

Regional Transportation Authority

1994 Annual Report

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NEIGHBORS HELPING NEIGHBORS

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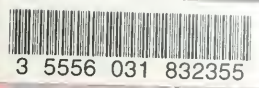


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NEIGHBORS HELPING NEIGHBORS

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*across the Madison
Street bridge to meet
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More than 2.1
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transportation in the
region every day.*

Providing 2.1 million rides every day is an awesome responsibility.

The Regional Transportation Authority accepted this responsibil-

ity in 1984, and works every day to uphold the trust placed in it by

the public. ¶ For residents of northeastern Illinois, public trans-

portation is among the most common ways we get around. Far

more than just a social safety net, ridership cuts across all social,

economic and geographic strata. ¶ Folks who count on transit in

this region include die cutters and politicians, school teachers and

doctors, advertising executives and police officers. The continued

effectiveness of our public transportation system impacts the

economies of every county in the state. ¶ Funding and planning

for our unparalleled public transportation system requires sound

strategic thinking, with a keen eye on the future. The RTA carries

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The 5 p.m. commuter rush heads west across the Madison Street bridge to meet trains and buses at Union and Northwestern Stations. More than 2.1 million rides are taken on public transportation in the region every day.

The Chairman's Message

*The Honorable Jim Edgar, Governor
and the General Assembly
of the State of Illinois*

The Chairman of the RTA plays a role unlike any other in this region's government. He is responsible for overseeing an integrated public transportation system that not only cuts across nearly 300 municipalities in six counties, but by definition includes both the City of Chicago and its surrounding suburbs.

This responsibility presents its share of challenges. In response, I'm proud to practice the often referred to concept of "regionalism" — the idea that this region is more important than any single municipality. The fact is, regionalism in public transportation is more than a theory. It dictates how transit must do business. Our system's 2,200 rail cars and 2,800 buses ply more than 6,000 miles of routes through hundreds of towns and villages every day.

Whether we're carrying a commuter from Woodstock to the Loop, a student from Lincoln Park to the University of Chicago, or a shopper from Wheeling to the Randhurst Mall, our riders see no boundaries. Their concern is that the system gets them where they want to go quickly and efficiently.

We've focused our efforts this past year on working to ensure that the confidence of our riders continues well into the next century. Much of what you'll read in this report concerns the RTA's ability to keep the people of this region moving.

For instance, in 1994, we worked with our Service Boards — the CTA, Metra and Pace — to transport hundreds of thousands of fans to World Cup soccer games. The overwhelming success of this event did more than prove the system can do the job. Transit was on display to foreign visitors who are used to — and therefore expect — state-of-the-art transit. We didn't let them down.

Still, our mission goes far beyond the logistics of moving soccer fans, though we receive satisfaction in seeing our planning pay off by watching the Service Boards do what they do best. One of the major planning initiatives we've embraced is our support of Transit-Oriented Development (TOD), a concept of community design that fosters transit ridership through strategic land use.

TOD design principles are as old as transit itself, but fell out of favor after World War II when development practices and new, not yet congested expressways, lured Americans into their autos by the millions — and away from public transportation. Today the RTA is working to bring together the key players who can make TOD happen. A series of seminars and white papers that began in October 1994 will continue through 1995.

One of the most notable accomplishments in 1994 related to the agency's capital program, which

continues to fund the rehabilitation of the system's aging infrastructure. In December 1994, we went to market with the last installment of the \$1 billion in bonding authority granted to the RTA by the Illinois General Assembly in 1989.

The Legislature's decision to grant us this authority showed trust and confidence in the RTA. No capital program of this magnitude had been attempted before, and there were many people unsure of our ability to provide the stewardship necessary to successfully program \$1 billion. Our achievements have proven the skeptics wrong.

However, we're far from finished.

We're quickly programming the last of the bond proceeds to the most critical capital projects. Need remains for more than \$5 billion in additional capital if we are to bring the system back to good working order, ensuring its health into the next century.

Work continues on the CTA Green Line, but other lines on the elevated system are close to 100 years of age and desperately in need of rehab. In the coming years, Metra plans to reconstruct bridges which are nearly as old, and Pace continues an aggressive plan to build transportation centers at strategic locations throughout the region.

For the RTA, work remains both in Washington, where we con-



tinued to seek relief from crushing unfunded federal mandates, and in Springfield, where we must return to seek additional bonding authority. The viability of public transportation in the region depends on it.

We've shown there is a critical need for continued investment, and we've proven that we're capable of managing large amounts of capital. The battle we continue to wage in Washington is for capital, and against patently unfair mandates.

In 1994, we were forced to absorb more than \$120 million in mandates. It's these costs that threaten the viability of transit as we know it — not just here, but all over the country. We've taken the lead in this fight, and we will continue to do so in 1995.

Our commitment to providing that leadership remains strong, as does our belief in the importance of transit to the millions of people who make up the neighborhoods of this

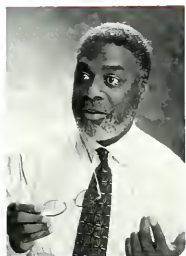
region. We're a unique institution, and we're pleased to be held up as an example of regional government that works.

Respectfully,



Thomas J. McCracken, Jr.
Chairman of the Board

Everyone Benefits



"This program makes so much sense, it sells itself. Businesses of all sizes have found that Transit Check is an ideal way to leverage dwindling benefit dollars while promoting clean air. Many of our customers tell me that as an added bonus, employees who ride transit are more consistently on time for work. Personally, I like the idea of providing a benefit employees can see in their pockets every day."

Eric Grant
Transit Check Program
Coordinator

IN 1994, THE RTA TRANSIT CHECK PROGRAM CONTINUED TO GAIN POPULARITY AS AN EMPLOYEE BENEFIT DESIGNED TO PROMOTE RIDERSHIP.

Here's how it works: An employer purchases transit checks from the RTA. Checks are available in \$21, \$40 and \$60 denominations and can be redeemed by employees like cash anywhere transit fares are purchased. This employee benefit is a tax-deductible expense for the employer, and it's also a tax-free benefit to employees who use the CTA, Metra or Pace.

The real power of the program is in providing a tangible benefit that puts money in the pockets of employees by lowering the cost of commuting. Transit Check also helps employers stretch benefit dollars, support clean air, reduce traffic congestion and promote a more reliable, on-time workforce. Companies of all types and sizes have joined the program, including those with special employee needs.

For instance, WMAQ-TV has been a Transit Check customer since the program was introduced





in 1990. Due to the varied schedules of the station's workforce and the round-the-clock nature of the news business, the RTA's 24-hour transit system is vital to Channel 5, and the benefits of Transit Check were a natural match for the broadcaster. Employees ranging from on-air talent to production staff to technicians benefit from Transit Check every day.

Growth of Transit Check since its debut has been nothing less than spectacular. Throughout 1994, Transit Check grew steadily at the rate of one new company every business day. By the end of the year, more than 1,200 companies and close to 20,000 employees were participating in Transit Check.

In fact, the program grew so fast that it outgrew the RTA's ability to keep up with its administration. To meet this need, the RTA turned to the private sector for help with certain aspects of the program. In September, a contract was signed with The Voucher Corporation to handle the printing and distribution of the growing number of checks. Voucher is a leader in handling transit check programs throughout the nation.

WMAQ-TV's Administrator of Station Relations Flo Young uses Transit Check to subsidize her commute every day.





Accessibility For All of Us

MAINTAINING THE NATION'S SECOND LARGEST PUBLIC TRANSPORTATION SYSTEM MEETS A CRITICAL NEED FOR MORE THAN 2.1 MILLION RIDERS EVERY DAY. BUT FOR MORE THAN 20,000 OF THESE IMPORTANT CONSTITUENTS, OLD-FASHIONED TRANSIT POSED A PROBLEM.



"Through the RTA's Travel Training program, hundreds of riders previously deemed 'disabled' now ride the system independently. The benefits of this effort extend far beyond the cost savings that come from moving paratransit riders onto mainline service. The independence these riders achieve speaks directly to the spirit of the ADA legislation. But on a more personal level, helping people become more independent really makes you feel great."

Anne LeFevre
ADA Certification
Specialist

Our system — much of which is nearly 100 years old — presents large accessibility challenges. The RTA has become a leader in the effort to meet both the letter and the spirit of ADA legislation, which mandates that transit provide equal access to transportation for all persons with disabilities. The spirit of the law dictates that we must do this by first making our region's transit accessible by installing lifts and ramps to our buses and trains, and sometimes by teaching people *how* to ride the system. Transit can be intimidating to a first-time rider with a disability, but the focus of the ADA is first and foremost to give people the freedom to use mainline service. One way the RTA is doing this is by providing Travel Training to qualified applicants. These riders may not have been able to ride mainline service before the ADA, but after completing a thorough application, which sometimes even results in face-to-face interviews, many have found that they can, indeed, access the mainline system — a step the ADA legislation was designed to encourage.

Under the guidance of highly qualified trainers contracted by the RTA, riders with disabilities are taught to use the system. The result? Travel Training empowers riders to find new freedom through mainline transit, and the precious few dollars available for paratransit services go further.

Travel Training is also crucial because it enhances the independence of this important group of riders. In addition, paratransit rides cost the CTA nearly \$20.00, but the Authority can only charge up to twice the highest mainline fare — \$3.00 — to a rider.

In order to determine who is eligible for Travel Training, each of the more than 20,000 estimated Chicago-area riders with disabilities must be evaluated under revised federal guidelines that stress a rider's "functional-ity" rather than "medical condition." Progress in the certification program has been good. Some 16,500 applications have been received. Each requires a labor-intensive evaluation screened by highly trained certifiers, most of whom hold advanced degrees in social sciences or developmental studies. To date, more than 7,500 certifications have been granted.

On the capital side, significant progress was made in converting stations and rolling stock to meet ADA requirements. The CTA's inventory includes 1,341 lift-equipped buses. It had none in 1990. At Metra, accessible rail cars on order number close to 90. It also had none five years ago. And

at Pace, the number of lift-equipped buses has grown 260 percent since 1990, from 106 to 386. This progress in converting a system the size of the RTAs is dramatic. The RTA continues to remain at the forefront of efforts to meet the ADA legislation — and to create a system accessible to all of us.



The RTA's Travel Training program pairs new riders with highly qualified trainers who teach the basics of successfully navigating mainline transit. The result is a more independent rider and less strain on the costly paratransit service.

Just Call the RTA Travel



"... Soldier Field traffic's backed up on the Kennedy out past the junction. Lake Shore Drive's still a parking lot. Get ready for a long ride folks ..."

"... Meanwhile, Metra reports no delays, and CTA express shuttles are the only things moving through Grant Park. If you chose transit, you're half way home ... call RTA travel information at 836-7000 ..."



"... High above the Loop in Traffic Copter One, this is Capt. Mike Mathis for WGN Radio ..."

The RTA ad campaign added value to the Travel Information Center by partnering with radio traffic reports and other on-air programs that have a natural tie to transit.

Information Center

A WOMAN IN EVANSTON NEEDS TRANSIT INFORMATION TO GET TO A JOB INTERVIEW IN LISLE.

A recent college graduate, new to the area and settling into a home in Barrington Hills, is unsure of transit options to his client's office in the Loop. And a family holding season tickets to Bears games is fed up with Sunday traffic to Soldier Field.

Where can these residents turn for detailed, personalized information on public transportation options? Increasingly, in conjunction with an ambitious advertising campaign launched in 1994, they turn to the RTA Travel Information Center (TIC), where calls come in at the rate of 10,000 a day, 20 hours each day, 365 days a year.

In 1994, the RTA assessed its vast service area, its broad target market and its limited advertising dollars. Based on that review, the RTA made a commitment to leverage these dollars even further. This involved developing strategic partnerships with more than a dozen radio stations which broadcast the RTA's ads — including WGN.

By sponsoring airborne traffic reports before and after Bears' games on WGN Radio, we remind fans about transit alternatives during the pregame show before they leave home, and again when they're caught in traffic snarls on the way home. Similar partnerships have been arranged for other sports venues.

Also, our research shows that one of the heaviest influx of calls to the TIC comes on Monday mornings from

people responding to help wanted ads in the Sunday papers. In an effort to reach this important transit market, the RTA has also created ads to reach job seekers, and sponsors WVON-AM's "Job Line" programs that help match career opportunities with potential candidates.

The new, largely radio-based ad campaign demonstrates what happens when someone dials 836-7000. Using staged calls, the ads help listeners understand exactly how an inquiry to the TIC is handled. This focus is demonstrated through a series of sample phone call ads to the TIC which stress the ease-of-use message.

Popular destinations are highlighted in the campaign, with the emphasis on how easy transit is to use in the region, and the often surprising number of transit alternatives available. Targeted placement of these creative ads on a wide range of radio stations throughout the six-county region conveys the natural link between public transportation and relief from traffic congestion.



"TIC operators are the RTA's most visible presence in the community. Every day of the week we handle 10,000 calls, and it's rewarding work. Our people are available 20 hours a day, seven days a week to help make transit work for others. Some of my favorite calls come from visitors from other cities who are amazed that this region's transit system is as comprehensive as it is."

*David Ladner
Travel Information
Center Manager*

The RTA has created an advertising campaign to leverage existing ad dollars by partnering with media outlets including WGN traffic.



Moving The World

Hundreds of thousands of World Cup soccer fans were moved in and out of Soldier Field during June and July 1994. Foreign visitors with high expectations for transit were not disappointed.





**IN 1994 THE WORLD CAME TO CHICAGO,
AND THE RTA MOVED IT.**

During the months of June and July, teams from Germany, Bolivia, Spain, Bulgaria and Greece battled for the World Cup, one of the most coveted sports trophies in the world. Each team brought with it not only the passionate will to win, but also thousands of soccer enthusiasts from Europe and South America.

Many of these fans hailed from cities in which fast, efficient, affordable transit services are a fact of life, and the Chicago region lived up to their expectations. Side by side with daily commuters on buses and trains, World Cup fans chanted patriotic cheers, sang team songs, and waved native flags.

During the four weeks of World Cup festivities, the RTAs Travel Information Center placed French, Spanish and German speaking operators on staff to assist foreign travelers who had high expectations for transit, yet were unfamiliar with the region's public transportation system. Hundreds of thousands of fans were moved in and out of Soldier Field throughout the six-county region by the CTA, Metra and Pace — quickly and efficiently.

This team effort demonstrated the breadth, flexibility and intermodal design of the nation's second largest transit system. In the final analysis, it was simply neighbors helping neighbors that ensured a successful World Cup experience for everyone.



Chicago 16 June, 1994
Dear Gunther,
Putta tag! Great view
of the city and transit
is good to have. We play
Bolivia tomorrow.
Glückwunsch Deutschland! Haupt
XX00
Stephen of Hanna



PRT: Bold Innovative ...



"We're looking forward to testing the PRT vehicle mock-up and station design elements with focus groups. The input of future riders is crucial, and we expect to learn a great deal because we'll see the reaction of the end-users for the first time."

Rich Mizera
PRT Project Manager

... AND FUTURISTIC ARE ALL WORDS THAT HAVE BEEN USED TO DESCRIBE THE RTA'S PERSONAL RAPID TRANSIT SYSTEM (PRT), NOW IN DEVELOPMENT BY THE RTA AND ITS PRIVATE SECTOR PARTNER, THE RAYTHEON COMPANY.

When completed, PRT will be a pioneering addition to the existing inventory of traditional mass transportation modes. It will offer much of the spontaneity, flexibility and privacy of the automobile. And it will do so without adding to ground-level congestion and pollution.

Phase II of the PRT project — the design, development and testing phase — will continue into 1997. But the progress in 1994 was promising. Most notably, the PRT vehicle, which will accommodate one wheelchair, was deemed by the Federal Transit Administration as compliant with ADA standards. This determination is significant. It moves the RTA one step closer to fulfilling its commitment to designing PRT

as the first transit system totally accessible to people with disabilities.

On another front, the PRT concept definition was further defined in 1994 as a result of "trade-off" studies evaluating the benefits of alternative design strategies and analyses. These exercises resulted in a refined baseline concept design that promises to be more flexible; less of a development risk; and less expensive to install, operate and maintain.

PRT will feature compact four-passenger vehicles, unobtrusive guideways, wait times of less than three minutes, and on-demand service — features well suited to the needs of the RTA's growing suburban service areas. Many of these areas have seen a dramatic increase in automobile congestion in recent years, and many suburbs are experiencing rush hour gridlock as bad or worse as that in the city. Still, many of these suburbs have populations too small and development densities too widely dispersed to support traditional rapid transit, but too large and concentrated to rely exclusively upon the automobile.

Finally, in 1994, work was completed on the seating buck, or passenger cabin mock-up, at Michigan-based MascoTech Engineering. Uniquely designed from the inside out, the cabin's ergonomics were fashioned to accommodate the needs and comforts of all passengers.

In the coming months, a seating buck will be subjected to focus group testing, and input on a mock station design will be sought from the public.





Executives from Auburn Hills, Michigan-based MascoTech Engineering explain aspects of the PRT prototype model to members of the RTA Board and staff.



A MascoTech designer studies the prototype mock-up of the RTA's PRT passenger car. PRT will be the first transit system designed from the ground up with the ADA in mind.

Today's Thinking



"Transit-Oriented Development is an idea as old as transit itself. But we've taken the lead in communicating its basic concepts to decision makers in the region. Whether they're developers, lenders, municipal employees or elected officials — they influence the planning of communities. It's important that they understand the relationship between development decisions and access to transit."

Lynn Otte
Manager of
Market Development

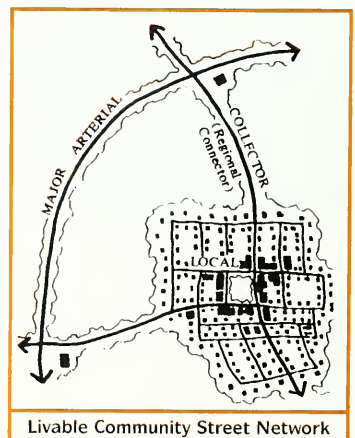
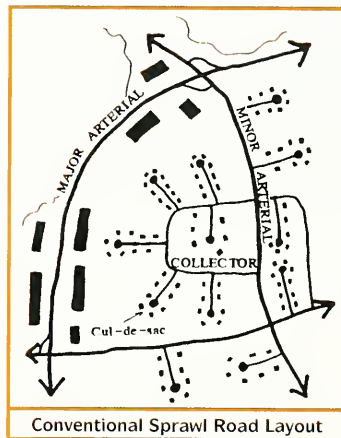
THE CONCEPT OF A NEIGHBORHOOD IS SOMETHING WE ALL KNOW AND UNDERSTAND. WHETHER LOCATED IN A SMALL TOWN OR A BIG CITY, A NEIGHBORHOOD IS THE FABRIC THAT INTEGRATES THE FUNCTIONS OF OUR DAILY LIVES.

It's a common bond, both socially and physically: between a group of people. By making choices together, sometimes consciously, sometimes not, this group makes decisions that will affect many aspects of their daily activities including access to shopping, jobs, recreation, and in the end, their quality of life.

Because a neighborhood tends to function as a microcosm of a city, most needs are met close by, and access is often achieved by walking.

Therefore, neighborhoods tend to focus on the needs of the pedestrian. Of course cars are not ignored, but the geography of a neighborhood reduces their importance. At the same time, this region has a transit dynamic. Whether they be trains or buses, transit is a travel option across most of the six-county area.

These realities are just some of the principles behind Transit-Oriented Development (TOD), an approach to urban design derived from the past, and now guiding today's thinking. A TOD environment features high-density, mixed land uses (residential, retail and office) which are pedestrian-friendly and which encourage transit ridership. The importance of the pedestrian is key to understanding the logic of TOD, which recognizes that every transit rider is a pedestrian for some part of each trip.



Source: *Visions for a New American Dream*, A.C. Neelssen, 1993, page 187.

This proposed Metra station is an example of TOD planning underway in the RTA's region.



The RTA made TOD an important focus of its efforts beginning in 1994. In October, the RTA sponsored a seminar, "The Routes to Future Growth: Fostering Transit-Oriented Development in Northeastern Illinois."

Sometimes referred to as "neo-traditional design," "traditional neighborhood design" or "the new urbanism," TOD draws heavily on design practices illustrative of the common sense approach to development found in older central cities and suburbs. These design practices ideally include a centrally located commercial core, grid street networks, a mix of land uses and proximity to transit — all within a radius of a 10 minute walk. TOD is common sense thinking in which the form of the community is organized to serve its functions.

The RTA supports TOD as a promising solution to the gridlock, congestion and pollution that have been created, to a great extent, by excessive dependence on the automobile,

as well as less consideration of accessible transit. In fact, many of today's development practices force residents to make even the shortest trips by car.

But TOD recognizes that promoting growth and development near public transportation can not only provide more cost-effective transit services, but it can also enhance the financial rewards for developers while increasing the tax base of municipalities — all without requiring additional infrastructure.

The RTA has helped apply this philosophy to planned transit hubs in the area, including the proposed Metra station pictured above, by raising the level of awareness to this concept. All this looks good on paper, but will developers and local governments embrace this philosophy. And, more importantly, will neighbors accept it? In other words ...

... does it work?

Regional Success Stories

*Transit-Oriented Development is working
— in the city as well as the suburbs.*



By integrating easy access to transit, close-in retail and high-density housing, the Elmhurst Metra station (above) has become a model of suburban TOD design.



Hotdog vendor on wheels Pam Uslander can roll her kitchen to wherever the customers are. "The regular commuter traffic makes my type of business feasible," she says.

AS A CATALYST FOR SUCCESSFUL COMMUNITY DESIGN, TOD IS INDEED WORKING.

For instance, a recent rehabilitation of the Metra station in Elmhurst helped spur an extensive redevelopment of the downtown area. The station was designed to accommodate ridership needs and to serve as an attractive pedestrian "people place" integrated with additional downtown parking.

Other projects undertaken as part of the Elmhurst central business district revitalization included improved parking; the development of a new Elmhurst City Hall; landscaping of a historic museum; extensive beautification of downtown open spaces with benches and flowers; and construction of a 20-unit mid-rise condominium adjacent to the museum.

Ironically, the site for the new condominium was previously deemed undesirable because of its proximity to the passenger train area before renovation. These changes helped attract new businesses to the area, and inspired existing ones to spruce up their appearance. The result is a bustling downtown area surrounding the train station.

But if the idea of high density housing and healthy commerce surrounding train stations sounds odd, that's because it is.

If you boarded that Metra train in Elmhurst into Chicago, then headed north out of the Loop on the CTAs



(Left) "This location is ideal for my type of business," says Lisa Kim, manager of the Station Cleaners at the Berwyn stop on the CTA's Red Line. "Most of my customers just drop off their laundry before catching a train."

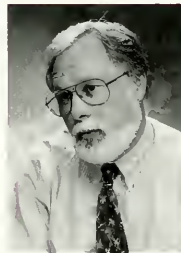
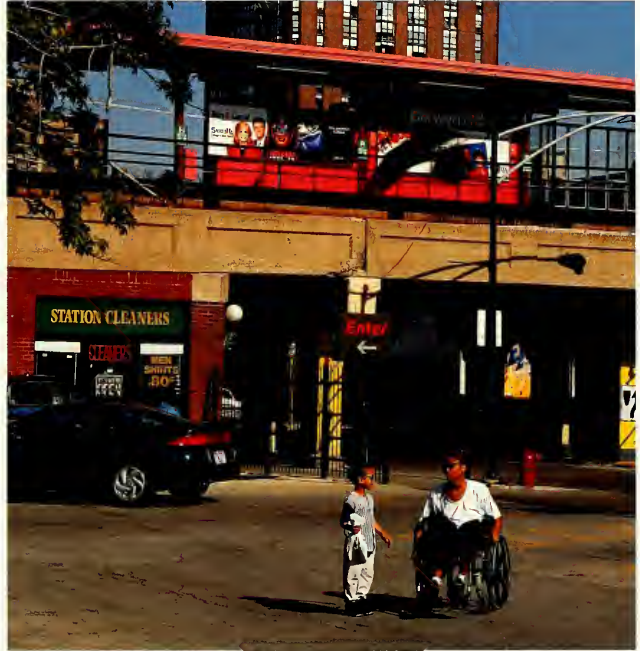
(Below) The CTA's Berwyn station on the Red Line is a classic example of urban TOD. Built in 1920, its infrastructure includes retail spaces. High-density housing is prevalent throughout the neighborhood, and access to transit is a given.

Red Line destined for the city's Edgewater neighborhood, you'd see first-hand how old the TOD concept is. At Berwyn station, you'll find compelling evidence of the adaptability of TOD, as well as its roots. Here, TOD ideas were implemented in 1920, when the station was constructed.

However, after many years of neglect, the infrastructure of retail shops was in a shambles as dependence on the auto grew and people shied away from transit.

But in 1994, the Berwyn station TOD project encompassed the renovation of station common areas as well as the existing retail spaces. Decayed and broken concrete was replaced by attractive red brick facing. Bright, traditional lighting fixtures were added. Retail activity again flourished with the opening of the privately managed shops that were selected with input from residents in the neighborhood.

These changes have inspired other retailers to move into the area, which has seen a rebirth of sorts. Another good example of TOD in action is taking place along the CTA's Orange Line, opened in 1993. Already, economic developments have sprung up along the route, and housing values are increasing steadily.

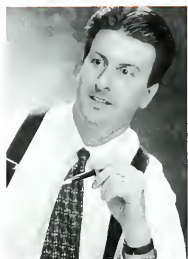


"Through education efforts, we've raised the level of understanding of Transit-Oriented Development in both the city and the suburbs. Every location poses challenges, but we're seeing positive long-term changes in neighborhoods by creating jobs and improving the quality of life. By fostering better understanding between decision makers involved in development, transit is again being considered a part of the social fabric."

Reed Lee
Principal Analyst

TOD is working, just as it has for years.

Keeping Our Promise



"We're proud of the stewardship we provided for \$1 billion in bonding authority. But it's safe to say we've only begun our work to reinvest in the region's transit infrastructure. Additional bonding authority will be crucial to our effort to make this system viable well into the 21st century."

Curt Robey
Manager of Investments

IN 1989, THE ILLINOIS GENERAL ASSEMBLY AUTHORIZED THE RTA TO ISSUE \$1 BILLION IN BONDS EARMARKED FOR REBUILDING THE REGION'S AGING TRANSIT INFRASTRUCTURE.

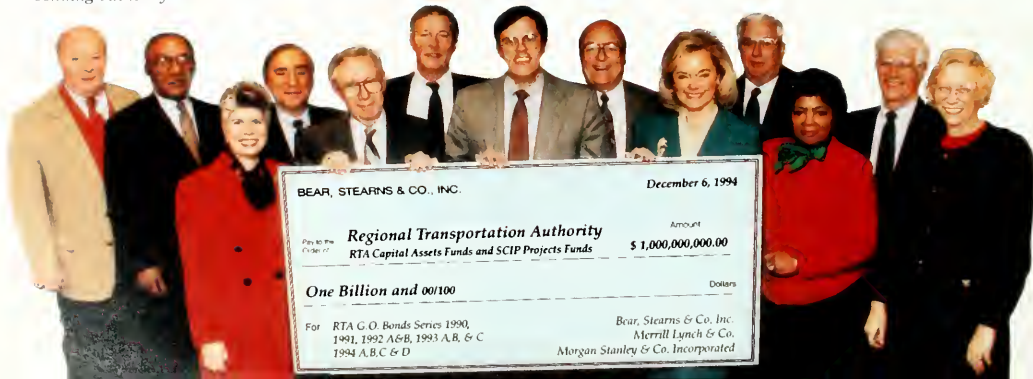
The Assembly's decision showed trust and confidence in the RTA; trust the RTA has worked hard to uphold. In the five years that followed, great strides were taken to rebuild or replace the oldest stations, tracks, rail cars and buses.

The RTA is proud of its stewardship in administering these bonds, and the success of projects for which their proceeds were allocated. In December 1994, the last of these bonds were issued, but much work remains. Two CTA elevated lines are nearly 100 years old, and even on the younger lines, many stations must still be made accessible. In the suburbs, scores of



Construction made possible by the RTA's capital program continues at the CTA elevated station at Madison and Wells streets.

At its December 1994 meeting, the RTA celebrated issuing the last of the \$1 billion in bonding authority.



BEAR, STEARNS & CO., INC.

December 6, 1994

Pay to the
Order of

Regional Transportation Authority
RTA Capital Assets Funds and SCIP Projects Funds

Amount

\$ 1,000,000,000.00

One Billion and 00/100

Dollars

For RTA G.O. Bonds Series 1990,
1991, 1992 A&B, 1993 A,B, & C
1994 A,B,C & D

Bear, Stearns & Co., Inc.
Merrill Lynch & Co.
Morgan Stanley & Co. Incorporated



Metra bridges approach the century mark as well. The RTA continues work to obligate the remaining funds, and prepares to begin a campaign for more bonding authority.

Some recent examples of how the region benefited from the RTA's bond program include:

Chicago Transit Authority

- *Constructed a new bus garage and a new maintenance facility*
- *Purchased nearly 400 new buses and 250 new rail cars*
- *Reconstructed an entire elevated line*

Metra Commuter Rail

- *Purchased 173 rail cars accessible to the disabled*
- *Rehabbed 140 rail cars*
- *Rehabbed the historic Northwestern Passenger Terminal*

Pace Suburban Bus

- *Contracted a bus garage and a transfer center*
- *Purchased 118 paratransit vehicles to serve the disabled*

Funding challenges facing the RTA in the coming years promise to be more daunting than we've ever faced. Competing interests for both capital and operating assistance may well force us to make painful decisions about the future of transit in this region. But our mission is clear. We must continue to move forward to rehabilitate a transit system that fast approaches 100 years in age.

We will seek more creative ways to finance public transportation projects, and we will not give up the fight against unfunded federal mandates. In 1994, we estimate that programs thrust upon us without any funding by the federal government cost the RTA more than \$120 million. This must end, or we face a very real threat to the shape of transit as we know it.

Our challenges are great, but our will and our commitment to our statute is strong. Public transportation in northeastern Illinois is as fundamental to the region's infrastructure as our roads. The 2.1 million rides we provide every day are a testament to that fact.

The RTA's mission calls for it to "ensure financially sound, comprehensive, coordinated public transportation for the north-eastern Illinois region." Fulfilling this mission requires creative thinking and an uncommon dedication to implementing the vision of the RTA Board of Directors. This vision is what guides us as we work to maintain a healthy public transportation system . . .



. . . today, and into the next century.

Financials

Pro Forma Combining Financial Report Of The Regional Transportation Authority And Service Boards

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Letter Of Transmittal

Mr. Thomas J. McCracken, Jr.
Chairman
Regional Transportation Authority
181 West Madison Street
Chicago, Illinois 60602

We are pleased to present the Pro Forma Combining Annual Financial Report for the Regional Transportation Authority, the Chicago Transit Authority, the Commuter Rail Division and the Suburban Bus Division for the Fiscal Year Ended December 31, 1994. The purpose of this report is to fulfill the requirements of Section 4.05 of the RTA Act. This report presents the operations of our transit system in the aggregate and not as individual components. It allows you to see the magnitude of the resources on hand and in use for mass transportation in the Northeastern Illinois Region.

The Pro Forma Combining Financial Statements have not been audited, but their compilation has been reviewed by the RTAs independent auditors. These reports are available upon request.

As always, the staff recognizes the board's commitment to fiscal responsibility and we look forward to another year to continue to improve transportation in Northeastern Illinois.

Sincerely,

A handwritten signature in blue ink that reads 'Laura A. Jibben'.

Laura A. Jibben
Executive Director

A handwritten signature in blue ink that reads 'Joseph G. Costello'.

Joseph G. Costello
Chief Financial Officer

Independent Auditors' Report

Board of Directors
Regional Transportation Authority
Chicago, Illinois

KPMG Peat Marwick LLP

We have compiled the accompanying proforma combining balance sheet of the Regional Transportation Authority and Service Boards as of December 31, 1994, and the proforma combining statement of revenues and expenditures and the proforma combining statement of cash flows for the year then ended in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying proforma financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

We have audited the general purpose financial statements of the Regional Transportation Authority, the financial planning and oversight agency for regional transit operations, as of December 31, 1994, and have issued our report thereon dated April 21, 1995. Those financial statements are the responsibility of the management of the Regional Transportation Authority. Our responsibility is to express an opinion on those financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Regional Transportation Authority as of December 31, 1994, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

As to the financial statements of the Service Boards, which include the Chicago Transit Authority (CTA), the Northeast Illinois Railroad Corporation (METRA Commuter Rail Division), and the Suburban Bus Division (Pace), we were furnished with the reports of other auditors with respect to their audits of 1994. The auditors' reports on the Service Boards were unqualified.

Our audit of the Regional Transportation Authority was made for the purpose of forming an opinion on the general purpose financial statements of the Regional Transportation Authority taken as a whole. The accompanying proforma combining region-wide statements of revenues and expenditures and proforma combining region-wide budgetary basis statement are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Regional Transportation Authority.

The accompanying statistical data are presented for purposes of additional analysis and are not required part of the basic financial statements. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements of the Regional Transportation Authority and, accordingly, we express no opinion on such statistical data.

KPMG Peat Marwick LLP

May 19, 1995

PRO FORMA COMBINING FINANCIAL STATEMENTS

Regional Transportation Authority And Service Boards

Pro Forma Combining Balance Sheet

December 31, 1994

(in thousands)

| Assets | RTA Combined Funds | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Combining Adjustments | | Pro Forma Combined Balance |
|--|--------------------------|---------------------------------|------------------------------|-----------------------------|--------------------------|-----------|----------------------------------|
| | | | | | Debit | Credit | |
| Current Assets: | | | | | | | |
| Cash and Investments (Note 7) | | | | | | | |
| Restricted | \$464,813 | \$17,000 | \$58,406 | \$10,135 | - | - | \$550,354 |
| Unrestricted | 60,010 | 23,895 | 21,582 | 8,375 | - | - | 113,862 |
| Receivables: | | | | | | | |
| Due from other funds | 2,952 | - | - | - | - | - | 2,952 |
| Intergovernmental receivables: | | | | | | | |
| Federal operating assistance | 40 | - | - | - | - | - | 40 |
| Sales tax | 136,863 | - | - | - | - | - | 136,863 |
| Interest on sales tax | 179 | - | - | - | - | - | 179 |
| Reduced fare reimbursement | 21,145 | - | - | - | - | - | 21,145 |
| Public Transportation Fund | 10,377 | - | - | - | - | - | 10,377 |
| Additional State Assistance | 2,496 | - | - | - | - | - | 2,496 |
| Unified Work Program | 327 | - | - | - | - | - | 327 |
| Current portion of loans | | | | | | | |
| to Service Boards | 10,461 | - | - | - | - | 10,461 | - |
| JSIF claims and other | 25,654 | - | - | - | - | 25,654 | - |
| Advance to Service Boards | 31,386 | - | - | - | - | 31,386 | - |
| Grant projects | - | 33,112 | 30,785 | 2,291 | - | 20,159 | 46,029 |
| Financial assistance - RTA | - | 74,856 | 34,471 | 16,977 | - | 126,304 | - |
| Other carriers | - | - | 548 | 89 | - | - | 637 |
| Other receivables | 310 | 16,189 | 10,025 | 3,435 | - | 1,456 | 28,503 |
| Interest on investments | 2,767 | - | - | - | - | - | 2,767 |
| Materials and supplies | - | 59,825 | 7,615 | 2,423 | - | - | 69,863 |
| Prepaid expenses | 4,304 | 2,988 | 440 | 543 | - | - | 8,275 |
| Total Current Assets | 774,084 | 227,865 | 163,872 | 44,268 | - | 215,420 | 994,669 |
| Fixed Assets: | | | | | | | |
| Plant, property and equipment | 16,083 | 2,974,209 | 1,814,627 | 249,013 | - | - | 5,053,932 |
| Construction in progress | - | - | 7,926 | 17,205 | - | - | 25,131 |
| Less: accumulated depreciation | - | (769,909) | (522,026) | (105,758) | - | - | (1,397,693) |
| Total Fixed Assets | 16,083 | 2,204,300 | 1,300,527 | 160,460 | - | - | 3,681,370 |
| Other Assets: | | | | | | | |
| Investment relating to employee benefit plan | 45,664 | 194,423 | 16,846 | - | - | - | 256,933 |
| Long-term portion of loans to Service Boards | 12,010 | - | - | - | - | 12,010 | - |
| Other | - | 9,350 | - | - | - | - | 9,350 |
| Amount available in debt service fund | 18,398 | - | - | - | - | - | 18,398 |
| Amount to be provided for retirement of general long-term debt | 981,602 | - | - | - | - | - | 981,602 |
| Total Other Assets | 1,057,674 | 203,773 | 16,846 | - | - | 12,010 | 1,266,283 |
| Total Assets | \$1,847,841 | \$2,635,938 | \$1,481,245 | \$204,728 | - | \$227,430 | \$5,942,322 |

See accompanying notes to pro forma combining financial statements.

See accompanying compilation report of KMPG Peat Marwick LLP.

PRO FORMA COMBINING FINANCIAL STATEMENTS

Regional Transportation Authority And Service Boards

Pro Forma Combining Balance Sheet

December 31, 1994

(in thousands)

| Liabilities, Public Investment & Fund Equity | RTA Combined Funds | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Combining Adjustments | | Pro Forma Combined Balance |
|---|--------------------------|---------------------------------|------------------------------|-----------------------------|--------------------------|----------|----------------------------------|
| | | | | | Debit | Credit | |
| Current Liabilities: | | | | | | | |
| Vouchers payable | \$636 | \$77,011 | \$39,141 | \$7,581 | - | - | \$124,369 |
| Due to other funds | 2,952 | - | - | - | - | - | 2,952 |
| Intergovernmental payables: | | | | | | | |
| Federal operating assistance | 40 | - | - | - | 40 | - | - |
| Operating assistance | 6,134 | - | - | - | 6,134 | - | - |
| Reduced fare reimbursement | 21,145 | - | - | - | 21,145 | - | - |
| Capital assistance | 1,141 | - | - | - | 1,141 | - | - |
| Sales tax | 116,334 | - | - | - | 116,334 | - | - |
| Interest on sales tax | 152 | - | - | - | 152 | - | - |
| Sales tax advance | 36,925 | - | - | - | 31,386 | - | 5,539 |
| Other liabilities: | | | | | | | |
| Accrued other expenses | 2,720 | 86,633 | 14,477 | 3,702 | 206 | - | 107,326 |
| Deferred operating assistance | - | 928 | - | - | 928 | - | - |
| Deferred revenue | - | 7,233 | 3,535 | - | - | - | 10,768 |
| Advances, deposits and other | - | 14,371 | - | - | - | - | 14,371 |
| Financial assistance to other carriers | - | - | 1,250 | 63 | 1,250 | - | 63 |
| Current portion of incentive retirement | - | 2,200 | - | - | - | - | 2,200 |
| Current portion of claims liability | 16,600 | 30,000 | - | 6,145 | 16,442 | - | 36,303 |
| Current obligation to RTA (Note 8) | - | 7,171 | 6,790 | 212 | 14,173 | - | - |
| Total Current Liabilities | 204,779 | 225,547 | 65,193 | 17,703 | 209,331 | - | 303,891 |
| Long-Term Liabilities: | | | | | | | |
| General obligation bonds payable (Note 9) | 1,000,000 | - | - | - | - | - | 1,000,000 |
| Claims liability | - | 113,898 | 30,277 | 6,497 | - | - | 150,672 |
| Employees' deferred compensation plan | 2,062 | 194,423 | 16,845 | - | - | - | 213,330 |
| Accrued benefits | - | 39,325 | - | - | - | - | 39,325 |
| Accrued pension cost | - | 195,635 | - | - | - | - | 195,635 |
| Long-term obligation to RTA (Note 8) | - | 12,840 | 4,670 | - | 17,510 | - | - |
| Other long-term liabilities | - | 7,633 | - | 3,689 | - | - | 11,322 |
| Total Long-Term Liabilities | 1,002,062 | 563,754 | 51,792 | 10,186 | 17,510 | - | 1,610,284 |
| Total Liabilities | 1,206,841 | 789,301 | 116,985 | 27,889 | 226,841 | - | 1,914,175 |
| Public Investment and Fund Equity | | | | | | | |
| Contributed capital | 48,500 | 2,234,943 | 1,282,727 | 163,453 | 589 | - | 3,729,034 |
| Investment in general fixed assets | 16,083 | - | - | - | - | - | 16,083 |
| Retained earnings (deficit) | (2,130) | - | 81,533 | 13,386 | - | - | 92,789 |
| Fund Balance: | | | | | | | |
| Reserved for 87 and prior capital | 3,856 | - | - | - | - | - | 3,856 |
| Reserved for 88 thru 94 capital | 49,642 | - | - | - | - | - | 49,642 |
| Reserved for debt service | 18,398 | - | - | - | - | - | 18,398 |
| Reserved for loans to Service Boards | 12,010 | - | - | - | - | - | 12,010 |
| Reserved for employee retirement | 44,060 | - | - | - | - | - | 44,060 |
| Reserved for prepaid expense | 16 | - | - | - | - | - | 16 |
| Reserved for bond capital projects | 408,005 | - | - | - | - | - | 408,005 |
| Unreserved, undesignated | 42,560 | - | - | - | - | - | 42,560 |
| Accumulated deficit | - | (388,306) | - | - | - | - | (388,306) |
| Total Public Investment and Fund Equity | 641,000 | 1,846,637 | 1,364,260 | 176,839 | 589 | - | 4,028,147 |
| Total Liabilities, Public Investment and Fund Equity | \$1,847,841 | \$2,635,938 | \$1,481,245 | \$204,728 | \$227,430 | - | \$5,942,322 |

See accompanying notes to pro forma combining financial statements.

See accompanying compilation report of KMPG Peat Marwick LLP.

PRO FORMA COMBINING FINANCIAL STATEMENTS

Regional Transportation Authority And Service Boards

Pro Forma Combining Statement Of Revenues And Expenditures

For the Fiscal Year Ended December 31, 1994

(in thousands)

| | RTA Combined Funds | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Combining Adjustments | | Pro Forma Combined Balance |
|---|--------------------------|---------------------------------|------------------------------|-----------------------------|--------------------------|-----------|----------------------------------|
| | | | | | Debit | Credit | |
| Revenues: | | | | | | | |
| Passenger fares | - | \$363,637 | \$68,625 | \$31,583 | - | - | \$463,845 |
| Other | - | 40,035 | 30,272 | 6,228 | 26,576 | - | 49,959 |
| RTA financial assistance | - | 366,485 | 173,132 | 63,147 | 602,764 | - | - |
| Sales taxes | 497,698 | - | - | - | - | - | 497,698 |
| Interest on sales taxes | 837 | - | - | - | 711 | - | 126 |
| Federal operating assistance | 49,557 | - | - | - | 83 | - | 49,474 |
| Public Transportation Fund | 124,002 | - | - | - | - | - | 124,002 |
| Additional State Assistance | 22,647 | - | - | - | - | - | 22,647 |
| Reduced fare reimbursement | 24,861 | - | - | - | - | - | 24,861 |
| Investment income | 14,899 | - | - | - | 242 | - | 14,657 |
| Other grants and reimbursements | 532 | - | - | - | - | - | 532 |
| Total Revenues | 735,033 | 770,157 | 272,029 | 100,958 | 630,376 | - | 1,247,801 |
| Expenditures: | | | | | | | |
| Operating expenses | - | 849,812 | 237,162 | 99,040 | - | 3,122 | 1,182,892 |
| Depreciation | - | 77,933 | 86,800 | 16,897 | - | - | 181,630 |
| Operating grants to Service Boards | 576,516 | - | - | - | - | 576,516 | - |
| Capital grants to Service Boards | 174,128 | - | - | - | - | 24,494 | 149,634 |
| Other grants to Service Boards | 83 | - | - | - | - | 83 | - |
| Reduced fare reimbursement to Service Boards | 24,861 | - | - | - | - | 24,861 | - |
| Interest on sales tax to Service Boards | 711 | - | - | - | - | 711 | - |
| Administration | 5,205 | - | - | - | - | - | 5,205 |
| Regional expenses | 20,678 | - | - | - | - | - | 20,678 |
| Debt service - interest | 44,627 | - | - | - | - | - | 44,627 |
| Fixed assets additions | 3,556 | - | - | - | - | - | 3,556 |
| Total Expenditures | 850,365 | 927,745 | 323,962 | 115,937 | - | 629,787 | 1,588,222 |
| Net Revenues (Expenses/Expenditures) | | | | | | | |
| Before Depreciation Exclusion | (115,332) | (157,588) | (51,933) | (14,979) | 630,376 | 629,787 | (340,421) |
| Depreciation exclusion | - | 75,211 | 86,800 | 16,897 | - | - | 178,908 |
| Bond proceeds | 471,531 | - | - | - | - | - | 471,531 |
| Retirement of debt | (7,249) | - | - | - | - | - | (7,249) |
| Capital farebox financing | - | - | 7,676 | - | - | - | 7,676 |
| Net Revenues (Expenditures) | \$348,950 | (\$82,377) | \$42,543 | \$1,918 | \$630,376 | \$629,787 | \$310,445 |

See accompanying notes to pro forma combining financial statements.

See accompanying compilation report of KMPG Peat Marwick LLP.

PRO FORMA COMBINING FINANCIAL STATEMENTS

Regional Transportation Authority And Service Boards

Pro Forma Combining Statement Of Changes In Public Investment And Fund Balance

For the Fiscal Year Ended December 31, 1994

(in thousands)

| | RTA Combined Funds | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Combining Adjustments | | Pro Forma Combined Balance |
|--|--------------------------|---------------------------------|------------------------------|-----------------------------|--------------------------|-----------|----------------------------------|
| | | | | | Debit | Credit | |
| Balance at December 31, 1993 | \$286,782 | \$1,461,878 | \$1,231,579 | \$157,213 | - | - | \$3,137,452 |
| Net revenues (expenditures) | 348,950 | (82,377) | 42,543 | 1,918 | 630,376 | 629,787 | 310,445 |
| Net additions of general fixed assets | 5,268 | - | - | - | - | - | 5,268 |
| Contributed capital assets: | | | | | | | |
| Federal Transportation Authority | - | 421,550 | 95,957 | 15,031 | - | - | 532,538 |
| Illinois Department of Transportation | - | 68,099 | 26,967 | 1,838 | - | - | 96,904 |
| Regional Transportation Authority | - | 52,698 | 54,009 | 17,736 | - | - | 124,443 |
| Service Boards | - | - | 5 | - | - | - | 5 |
| Current year depreciation on other capital assets | - | (75,211) | (86,800) | (16,897) | - | - | (178,908) |
| Balance at December 31, 1994 | \$641,000 | \$1,846,637 | \$1,364,260 | \$176,839 | \$630,376 | \$629,787 | \$4,028,147 |

See accompanying notes to pro forma combining financial statements.

See accompanying compilation report of KMPG Peat Marwick LLP.

PRO FORMA COMBINING FINANCIAL STATEMENTS

Regional Transportation Authority And Service Boards

Pro Forma Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 1994

(in thousands)

| | RTA Joint Self- Insurance Fund | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Pro Forma Combined Balance |
|--|--------------------------------------|---------------------------------|------------------------------|-----------------------------|----------------------------------|
| Cash Flows From Operations: | | | | | |
| Operating loss | (\$1,949) | (\$524,073) | (\$225,066) | (\$78,126) | (\$832,214) |
| Reconciling adjustments: | | | | | |
| Depreciation | - | 77,933 | 86,800 | 16,897 | 181,630 |
| Provision for claims | 7,500 | 26,271 | 4,732 | 1,270 | 39,773 |
| Capital improvements | - | - | 30 | - | 30 |
| Investment income | - | (2,574) | (4,748) | (949) | (8,271) |
| Change in assets and liabilities: | | | | | |
| Decrease (increase) in receivables | (7,563) | 138 | 2,664 | (917) | (5,678) |
| Decrease(increase) in materials and supplies | - | 5,083 | (785) | (103) | 4,195 |
| Increase in prepaid expenses and other assets | - | (4,516) | (48) | (127) | (4,691) |
| Increase (decrease) in vouchers payable | - | (17,157) | 251 | (992) | (17,898) |
| Decrease in other liabilities | - | (2,408) | (1,531) | (131) | (4,070) |
| Increase (decrease) in other accrued expenses | 6 | 52,279 | (746) | 58 | 51,597 |
| Increase (decrease) in deferred revenues | - | 1,439 | (42) | - | 1,397 |
| Net cash used in operating activities | (5,006) | (387,585) | (138,489) | (63,120) | (594,200) |
| Cash Flows From Non-capital Financing Activities: | | | | | |
| Financial Assistance - operating | - | 372,401 | 173,132 | 57,940 | 603,473 |
| Decrease in accounts receivable financial assistance - RTA | - | - | (2,797) | - | (2,797) |
| Decrease in obligation to RTA | - | (10,000) | - | (235) | (10,235) |
| Increase in due to other fund | 1,547 | - | - | - | 1,547 |
| Net cash provided by non-capital financing activities | 1,547 | 362,401 | 170,335 | 57,705 | 591,988 |
| Cash Flows From Capital and Related financing activities: | | | | | |
| Decrease in long-term obligation to RTA | - | - | (6,790) | - | (6,790) |
| Financial assistance - grant projects | - | 542,346 | 176,908 | 35,280 | 754,534 |
| Capital farebox financing | - | - | 7,676 | - | 7,676 |
| Decrease in receivable - grant projects | - | - | (207) | - | (207) |
| Capital grants | - | (541,630) | (212,104) | (33,263) | (786,997) |
| Net cash provided by (used in) capital and related financing activities | - | 716 | (34,517) | 2,017 | (31,784) |
| Cash flows from investing activities: | | | | | |
| Investment income | 455 | 2,574 | 4,748 | 949 | 8,726 |
| Increase in interest receivable | (265) | - | - | - | (265) |
| Purchase of long-term marketable securities | - | (14,188) | (7,995) | - | (22,183) |
| Sales of long-term marketable securities | - | 15,788 | 13,920 | - | 29,708 |
| Net cash provided by investing activities | 190 | 4,174 | 10,673 | 949 | 15,986 |
| Net increase (decrease) in cash and temporary investments | (3,269) | (20,294) | 8,002 | (2,449) | (18,010) |
| Cash and cash equivalents at beginning of year | 37,363 | 58,469 | 14,177 | 20,959 | 130,968 |
| Cash and cash equivalents at end of year | \$34,094 | \$38,175 | \$22,179 | \$18,510 | \$112,958 |

See accompanying notes to pro forma combining financial statements.

See accompanying compilation report of KMPG Peat Marwick LLP.

Notes To Pro Forma Combining Financial Statements

NOTE 1 — ORGANIZATIONAL STRUCTURE

RTA. The Regional Transportation Authority (RTA) was established in 1974 upon the approval of a referendum in its six-county Northeastern Illinois region (Region). The operating responsibilities of the RTA are set forth in the RTA Act. The RTA is a unit of local government, body politic, political subdivision and municipal corporation of the State of Illinois. As initially established, the RTA was an operating entity responsible for providing day-to-day bus and rail transportation services. At that time, the RTA made grants to the Chicago Transit Authority (CTA), which provided the bus and rapid transit service in Chicago and some adjacent Cook County suburbs. However, in 1983 the Illinois General Assembly reorganized the structure and funding of the RTA from an operating entity to a planning and oversight entity. The reorganization placed all operating responsibilities in the CTA and two operating divisions of the RTA: the Commuter Rail Division ("METRA"), and the Suburban Bus Division ("Pace"), each having its own independent board. These divisions conduct operations and deal with subsidized carriers. These three entities are defined in the RTA Act as the "Service Boards."

The RTA Act sets forth detailed provisions for the allocation of receipts by the RTA to the various Service Boards, and imposes a requirement that the RTA's system as a whole achieves annually a "system generated revenue recovery ratio" (i.e., aggregate income for transportation services provided) of at least 50% of the cost of the transportation services. The Service Boards achieve their required recovery ratio by establishing fares and related revenue to cover the required proportion of their proposed expenses. The RTA has certain financial oversight responsibilities relating to the budgets and financial performance of the CTA, METRA, and Pace.

CTA. The CTA was formed in 1945 pursuant to the Metropolitan Transportation Authority Act passed by the Illinois legislature. The CTA was established as an independent governmental agency (an Illinois municipal corporation) "separate and apart from all other government agencies" to consolidate Chicago's public and

private mass transit carriers. The City Council of the City of Chicago has granted the CTA the exclusive right to operate a passenger transportation system within the City of Chicago.

METRA. The Northeast Illinois Regional Commuter Railroad Corporation, a public corporation acting under the service name of METRA, was established in 1980 to serve as the RTA's commuter rail division. METRA has the responsibility for policy making with respect to actual day-to-day operations, capital investments, fare levels, and service and facilities planning for its operations. Metra is directly responsible for the operation and management of the commuter services formerly provided by Rock Island, Milwaukee Road, METRA Electric and Heritage Corridor, and METRA SouthWest Service commuter rail lines. METRA also has responsibility for administration of all commuter rail activities in the metropolitan Chicago area including deficit funding, capital grant application, and administration activities.

Deficit funding operations arise from purchase of service agreements with the participating Chicago commuter rail carriers including: Chicago and NorthWestern Transportation Company, Burlington Northern Railroad Company, and Northern Indiana Commuter Transportation District (formerly provided by the Chicago SouthShore and South Bend Railroad). Under these agreements, METRA funds the commuter related operating deficits (as defined) and is entitled to reimbursement of commuter related operating surpluses (as defined) of these carriers. In addition, METRA provides certain direct expenses such as fuel, electricity, and insurance coverage considered to be "in-kind assistance." The title to the roadway and structure assets of these carriers, other than capital improvements funded by federal, state, and local grants and by METRA generated funds, is vested with the carriers and, accordingly, such assets are not reflected in these financial statements.

Pace. Independent operations of Pace commenced July 1, 1984. The Pace Board of Directors is empowered to operate suburban bus service within suburban Cook County and the five collar counties of DuPage, Kane, Lake, McHenry, and Will.

Pace determines the level, nature, and kind of public transportation services that should be provided in the suburban region.

Reporting Periods. The RTA, METRA, and Pace report on a calendar year basis, with a fiscal year ended December 31, 1994. The CTA's fiscal year was December 26, 1993 through December 31, 1994. All statements enclosed herewith are based on each entity's fiscal year.

NOTE 2 — REPORTING ENTITY

The RTA and each of the Service Boards adopted the provisions of the Governmental Accounting Standards Board's Statement No. 14 (Statement No. 14), "The Financial Reporting Entity," effective for their respective 1993 fiscal years.

In the judgement of the management of each of the entities and with the concurrence of their auditors, analysis and application of Statement No. 14 criteria indicate that, while the RTA does exercise some fiscal oversight, the CTA, METRA, and Pace are not part of the RTA reporting entity for purposes of preparing a comprehensive annual financial report in accordance with governmental accounting and financial reporting standards. Accordingly, financial statements for the CTA, METRA, and Pace are not included or combined with the RTA's financial statements. They are combined, however, in this Pro Forma Combining Annual Financial Report. The Pro Forma Combining Annual Financial Report is a statutorily required report and is not presented in accordance with governmental accounting and financial reporting standards.

In arriving at this conclusion, the following factors were considered:

- The CTA, METRA, and Pace maintain separate management, exercise control over all operations (including the passenger fare structure), and are accountable for fiscal matters including: ownership of assets, relations with federal and state transportation funding agencies that provide financial assistance in the acquisition of these assets, and the preparation of operating budgets. The CTA, METRA, and Pace are also responsible for the purchase of services and approval of contracts relating to their operations.

- The RTA Board has control neither in the selection or appointment of any Service Board Director nor of any of its management. Further, directors of the CTA, METRA, and Pace are excluded, except for the Chairman of the Chicago Transit Board who is also an RTA Board member, from serving on more than one entity's board of directors, including that of the RTA.

- The RTA Board is required by Illinois statutes to approve the budgets of the Service Boards if such budgets meet specified system generated revenue recovery ratios.

As a result of the adoption of Statement No. 14, the RTA and CTA reporting entities include a Pension Plan and Supplemental Retirement Plans, respectively.

NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the RTA, CTA, METRA, and Pace conform to generally accepted accounting principles. The following is a summary of the significant policies:

Fund Accounting. The RTA maintains its records using a governmental fund accounting model consisting of a General Fund, Debt Service Funds, Capital Projects Funds, a Proprietary Fund (Internal Service), Agency Funds and a Pension Trust Fund. All Governmental Funds and the Pension Trust and Agency Funds are accounted for using the modified accrual method of accounting, i.e. revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred. The Proprietary Fund is accounted for on the accrual method of accounting. Fixed asset transactions are accounted for in the General Fixed Assets Account Group. Long-term liabilities are accounted for in the General Long-Term Debt Account Group. For the purpose of these pro forma statements, all RTA funds and account groups have been combined. Due to the combination, the RTA Combined Funds columns do not present financial position and results of operations in conformity with generally accepted accounting principles.

The Service Boards are accounted for on a Proprietary Fund basis. Accordingly, the accrual method of accounting is utilized by the Service Boards. For purposes of these pro forma statements, Service Board financial statements are combined with those of the RTA.

Cash and Investments. All investments are recorded at cost, which approximates market value, except for investments held by the RTA Pension Plan and Trust and the RTA, CTA, and METRA for their deferred compensation plans, which are reported at market value.

Fixed Assets. All fixed assets are recorded at cost. In calculating depreciation, each of the Service Boards uses the straight-line method. The estimated useful lives vary depending on the type of fixed asset. These useful lives range from one to forty-five years.

Material and Supply Inventories. Each Service Board records its inventory at the lower of cost or market. The CTA and METRA use the average cost method to determine the cost base. Pace uses the first-in, first-out method to determine cost.

Compensated Absences. All four entities have recorded a liability for vested vacation time in the year the time was earned.

Revenues. The Region has five principal sources of revenue and other financing sources: (1) farebox revenue; (2) retailers' occupation taxes, service occupation taxes, and use taxes (collectively, "Sales Taxes"); (3) funds appropriated to the RTA by statute through the State's Public Transportation Fund established under the RTA Act; (4) funds in respect of state or federal grants, or any other such funds, which the RTA is authorized to apply for and receive under the RTA Act; and (5) investment income and other miscellaneous revenue.

Farebox Revenue. A major source of revenue to the Service Boards is fares collected from riders. Each entity has its own fare structure and method for collection of fares. Farebox revenue is recognized when fares paid are initially valid for transportation services.

Taxes. The RTA Sales Tax currently imposed by the RTA consists of (i) in Cook County, (a) a tax of 1% of the gross receipts from sales of drugs, certain medical supplies and food prepared for consumption off the premises (other than for immediate consumption) imposed on all persons selling tangible personal property at retail (a "Food and Drug Tax") and (b) a tax of .75% of the gross receipts from all other taxable retail sales; (ii) in counties within Northeastern Illinois (other than Cook County) a tax of .25% of the gross receipts from all taxable retail sales (together with (i) (b), a "General Sales Tax"); and (iii) a tax of .75% on the use in Cook County and .25% on the use in Northeastern Illinois other than Cook County of tangible personal property purchased from a retailer outside Northeastern Illinois and titled or registered with a State agency by a person with a Northeastern Illinois address (a "Use Tax"). The taxes described in (i) and (ii) above are also imposed on persons engaged in making sales of services pursuant to which tangible personal property or real estate (as incident to a sales of a service) is transferred (with respect to the taxes in (i) and (ii), a "Service Occupation Tax").

The RTA Sales Tax is collected by the Illinois Department of Revenue and paid to the Treasurer of the State of Illinois to be held in trust for the RTA outside the State Treasury. Proceeds from the RTA Sales Tax are payable monthly, without appropriation, by the State Treasury on the order of the State Comptroller directly to the RTA.

Also, proceeds from certain sales taxes imposed by the State are allocated to the RTA as part of the restructuring of the state and local sales taxes in Illinois. Until January 1, 1990, the State General Sales Tax, State Use Tax and State Service Occupation Tax portions of the RTA sales tax were imposed at a rate of 1% in Cook County. Effective January 1, 1990, as a result of legislation (the "Sales Tax Reform Act") aimed at simplifying the base and rate structure of taxes imposed by the state and its local governments, including the RTA, the State General Sales Tax, State Use Tax, State Service Occupation Tax and State Service Use Tax

were increased from 5% to 6.25% and any corresponding portions of the RTA sales tax in Cook County were reduced from 1% to .75%. In order to avoid a revenue loss to the RTA because of the reduction in this portion of the RTA sales tax, the Sales Tax Reform Act directed that portions of the receipts from the State General Sales Tax, State Use Tax, State Service Occupation Tax, and State Service Use Tax be paid to the RTA annually.

Specifically, 4% of the net monthly revenue from the 6.25% State General Sales Tax and State Service Occupation Tax and 4% of the net monthly revenue from the State Use Tax on personal property purchased at retail outside the state but registered or titled with a state agency within the state (i.e., 25% of total) is transferred into the County and Mass Transit District Fund in the State Treasury (the "CMTD Fund"). The amount in the CMTD Fund attributable to taxable sales occurring in Cook County or to property registered or titled in Cook County is then transferred into the RTA Occupation and Use Tax Replacement Fund in the State Treasury (the "Replacement Fund"). In addition, (i) the net monthly revenue from the State Use Tax and State Service Use Tax portions of the 1% State Food and Drug Tax and (ii) 20% of the net monthly revenue of the 6.25% State Use Tax and State Service Use Tax (i.e., 1.25% of total), other than revenues of such taxes attributable to personal property purchased at retail outside of the state but registered or titled with a state agency within the state, are deposited in the State and Local Sales Tax Reform Fund (the "Reform Fund"). Ten percent of the money paid into the Reform Fund is then transferred into the Replacement Fund.

The RTA Act provides that the RTA withhold 15% of the tax revenues generated and that these revenues are deposited into the RTA's General Fund. The RTA is required to pass on to the Service Boards, pursuant to statutory formula, an amount equal to the remainder of such tax revenues. The remaining 85% of sales tax is allocated to the Service Boards as follows:

| Service Boards | Collected Within Chicago | Collected Within Cook County Outside Chicago | Collected in DuPage, Kane, Lake, McHenry and Will Counties |
|----------------|--------------------------|--|--|
| CTA | 100% | 30% | - |
| Metra | - | 55% | 70% |
| Pace | - | 15% | 30% |

The criteria applied for recognition of the receivable and related revenue are that the amounts are "measurable and available" for the RTA to meet its current obligations.

Public Transportation Fund (PTF). In accordance with the RTA Act, the State Treasurer is authorized and required to transfer from the State's general revenue fund to a special fund in the State Treasury designated the "Public Transportation Fund" an amount equal to 25% of net revenues realized from sales taxes (or as the case may be, gasoline or parking taxes). These amounts may be paid to the RTA only upon state appropriation. The state has approved an appropriation from the Public Transportation Fund through its 1995 fiscal year which will end June 30, 1995. In 1994, the RTA also received Additional State Assistance from the PTF. The amount received is equivalent to the debt service on Strategic Capital Improvement Program bonds, subject to a statutory cap and appropriation.

None of the revenues from the Public Transportation Fund is payable to the RTA unless and until it certifies to the Governor, State Comptroller, and Mayor of the City of Chicago that the RTA has adopted a budget and financial plan as called for by the RTA Act.

The amounts allocable to each of the Service Boards from funding received by the RTA from the state's Public Transportation Fund are allocated at the discretion of the RTA Board in connection with the review and approval of the annual revised budgets of each Service Board. The allocable amounts of such funds are payable as soon as may be practicable upon their receipt, provided the RTA has adopted a budget pursuant to Section 4.01 of the Act, and the Service Board that is to

receive such funds is in compliance with the budget requirement imposed upon the Service Board pursuant to Section 4.11 of the Act.

Federal Operating Assistance Grant. A grant is provided to the RTA under Section 9 of the Federal Urban Mass Transportation Act. The revenue is recognized on the modified accrual basis in the year funds are actually received based upon final approval of the grant. All funds received under this grant are "passed through" to the Service Boards.

Reduced Fare Reimbursement. The Illinois General Assembly has appropriated funds for a program under which the Illinois Department of Transportation is authorized to provide to the RTA a reduced fare reimbursement grant for the purpose of reimbursing the Service Boards for actual revenue losses attributable to reduced fares for students, people with disability and the elderly. The revenue is recognized on the modified accrual method when the amount is requested from the Illinois Department of Transportation.

Combining Adjustments. Inter-agency receivables, payables, revenues, expenses and expenditures have been eliminated in the Combining Adjustments column; however, there are some differences in these amounts reported in the stand-alone financial statements of the RTA and the Service Boards. These valid differences relate primarily to differences in timing in the recording of certain transactions. For purposes of these pro forma combining financial statements, such differences are recorded as combining adjustments to contributed capital.

Proforma Combined Balances. The columns presenting the combined balances for the RTA and Service Boards are statutorily required and do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles.

NOTE 4 — BUDGET AND BUDGETARY ACCOUNTING

Section 4.01(a) of the RTA Act requires the RTA prepare and adopt a comprehensive annual budget and

program presenting the RTA's planned operations and capital expenditures for the forthcoming year. The budget is comprehensive and includes the activity in the General and Agency Funds.

The annual budget and related appropriations are prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles except for capital grants, which are budgeted for on a project basis which normally exceeds one year, and debt service payments which are budgeted as transfers from the General Fund. RTA expenditures may not exceed budgeted appropriations except by RTA Board approval. All appropriations lapse at year-end. During the year, several supplementary appropriations were passed. Budgets for capital grants that extend beyond one year are presented in the first year of the grants and represent the total amounts awarded. All budget amendments, including supplementary appropriations, require approval by the RTA Board. The legal level of control applies to the total Administration expenditures. Additional budget detail is used by management for monitoring purposes. It is the policy of the RTA to fund the budgets of the Service Boards, up to the amount appropriated in the annual Budget Ordinance. The Service Boards are to maintain all financial records and are to prepare all financial statements and reports, including quarterly and annual reports required under the Act, in accordance with the following provisions:

1. The first source of funds to be credited against the budgeted funding amount is from FTA operating assistance grant;
2. The second source of funds to be credited against the budgeted funding amount is from 85% sales tax receipts;
3. The third source of funds to be credited against the budgeted funding amount is from PTF receipts; and
4. The fourth source of funds credited against the budgeted funding amount is from RTA 15% and other discretionary receipts.

For capital expenditures, the payment of PTF funds, 15% funds, and other discretionary funds of the RTA are to be made under the terms and conditions of grant agreements governing such capital expenditures.

NOTE 5 — LEASES

The RTA and CTA hold operating leases which are primarily for rent expense on the facilities they occupy. Metra has several operating leases, primarily for the use of passenger terminals and for rent expense on the facility it occupies.

NOTE 6 — COMMITMENTS AND CONTINGENCIES

Each of the entities has various commitments that have arisen in the normal course of operations. None is expected to have a material adverse impact on its financial position as presented.

Each of the entities has also established liabilities for potential legal judgements to satisfy claims against the entity.

The RTA has also established a Loss Financing Plan to cover funding of losses incurred by the RTA and the Service Boards over certain established limits.

NOTE 7 — CASH AND INVESTMENTS

The applicable statutory provisions governing the investment of public funds are found in 30 ILCS 235/0.01, et. seq. Each of the four entities also has established its own investment policy which is in line with the state statute, or in some cases more restrictive.

The RTA and Service Boards have on hand at December 31, 1994, \$921.1 million of cash and investments. Of that amount \$724.8 million is restricted for self-insurance and other damage reserve liabilities, debt service, health insurance claims, capital projects, and employee retirement benefits.

NOTE 8 — LOANS AND ADVANCES TO SERVICE BOARDS

During 1992, the RTA made a loan for \$11.011 million to the CTA. An additional \$10 million loan was made in 1993. The CTA paid \$10 million in 1994. The loans are free of interest with the remaining repayments to be made in accordance with the following revised schedule:

| | |
|-------------|---------------------|
| May 1, 1995 | \$3,671,000 |
| May 1, 1996 | 3,670,000 |
| May 1, 1997 | 3,670,000 |
| | <u>\$11,011,000</u> |

Fund balance has been reserved for the long-term portion of this receivable (\$7.34 million).

An agreement dated July 14, 1987 between the RTA and Metra stipulates that Metra would repay the RTA the principal sum of \$67.9 million, without interest, beginning December 31, 1988. Metra repaid \$6.79 million in 1994. The remaining receivable from Metra at December 31, 1994 is \$11.46 million. Fund balance has been reserved for the long-term portion of this loan (\$4.67 million).

At December 31, 1994, the RTA, through the Joint Self-Insurance Fund, had outstanding cash advances due from the Service Boards for liability claims paid. The advances are due as follows:

| | CTA | Pace |
|------|--------------------|------------------|
| 1995 | \$3,500,000 | \$206,851 |
| 1996 | 3,500,000 | 0 |
| 1997 | 2,770,119 | 0 |
| | <u>\$9,770,119</u> | <u>\$206,851</u> |

The advances accrued interest at 3.94% during 1994. Accrued interest due from the CTA and Pace amounted to \$237,293 and \$5,023, respectively, at December 31, 1994.

In addition, \$15,600,000 of claims liabilities within the Joint Self-Insurance Fund have been accrued at December 31, 1994. This reserve for possible future payments is offset by amounts due from the Service Boards. Also included in the RTA's JSIF Claims and Other receivable on the pro forma combining balance sheet is \$77,216 of miscellaneous advances.

NOTE 9 - GENERAL OBLIGATION BONDS PAYABLE

Changes during the year in long-term debt were as follows:

| General Obligation | December 31, 1993 | New Issues | Retirements | December 31, 1994 |
|--------------------|----------------------|-----------------------|---------------------|------------------------|
| 1986A | \$ 14,275,000 | \$ 0 | \$ 4,485,000 | \$ 9,790,000 |
| 1990A | 76,165,000 | 0 | 1,310,000 | 74,855,000 |
| 1991A | 98,655,000 | 0 | 1,410,000 | 97,245,000 |
| 1992A & 1992B | 218,000,000 | 0 | 0 | 218,000,000 |
| 1993A & 1993B | 110,000,000 | 0 | 0 | 110,000,000 |
| 1993C Refunding | 23,188,636 | 0 | 43,646 | 23,145,000 |
| 1994A & 1994B | 0 | 275,000,000 | 0 | 275,000,000 |
| 1994C & 1994D | 0 | 191,965,000 | 0 | 191,965,000 |
| Total | <u>\$540,283,636</u> | <u>\$ 466,965,000</u> | <u>\$ 7,248,636</u> | <u>\$1,000,000,000</u> |

Advance Refunding: On June 21, 1993, the RTA advance refunded a portion of its 1990A Series general obligation bond issue. The RTA issued \$23,265,000 of general obligation refunding bonds (1993 Series C) to provide resources to fund an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. At December 31, 1994, \$20,350,000 of outstanding general obligation bonds (1990A Series) are considered defeased.

The "debt service requirements" set forth on the following tables represent payments due the trustee, as required by the respective bond agreements. The "principal maturity" columns represent payments due bond holders from the trustee.

1986 General Obligation Bonds. On November 1, 1986, the RTA issued \$40 million General Obligation Bonds, Series 1986A, to establish a Joint Self-Insurance Fund for the RTA, CTA, Metra, and Pace. The purpose of the Joint Self-Insurance Fund is to provide a source from which to pay substantial damage and other claims above retained limits payable by any of the participants arising out of personal injuries, property damage and certain other losses and damages. The Self-Insurance Agreement provides that the Joint Self-Insurance Fund is not available to pay the principal or interest on the Series 1986A Bonds.

The Series 1986A Bonds will mature on November 1 over a ten-year period and interest will be payable at rates ranging from 4.0% to 6.2% on May 1, 1987 and semi-annually thereafter on November 1 and May 1 in each remaining year.

Debt service requirements on the Series 1986A Bonds to maturity are set forth below:

| Year | Debt Service Requirements | | | Principal Maturity |
|-------|---------------------------|-------------------|---------------------|-----------------------|
| | Principal | Interest | Total | |
| 1995 | \$4,750,000 | \$ 602,230 | \$ 5,352,230 | \$4,750,000 |
| 1996 | 5,040,000 | 312,480 | 5,352,480 | 5,040,000 |
| Total | <u>\$9,790,000</u> | <u>\$ 914,710</u> | <u>\$10,704,710</u> | <u>\$9,790,000</u> |

1990 General Obligation Bonds. In May 1990, the RTA issued \$100 million General Obligation Bonds, Series 1990A, to establish a Capital Projects Fund to provide the source of paying costs of the Capital Program for the CTA, Metra and Pace.

The Series 1990A Bonds will mature on November 1 over a thirty-year period and interest will be payable at rates ranging from 6.00% to 7.15% on November 1, 1990 and semi-annually thereafter on May 1 and November 1 in each remaining year.

Debt service requirements on the Series 1990A Bonds to maturity are set forth below:

| Year | Debt Service Requirements | | | Maturity |
|--------------|---------------------------|---------------------|----------------------|---------------------|
| | Principal | Interest | Total | |
| 1995 | \$1,390,000 | \$5,327,660 | \$ 6,717,660 | \$1,390,000 |
| 1996 | 1,480,000 | 5,238,700 | 6,718,700 | 1,480,000 |
| 1997 | 1,575,000 | 5,142,500 | 6,717,500 | 1,575,000 |
| 1998 | 1,680,000 | 5,038,550 | 6,718,550 | 1,680,000 |
| 1999 | 1,790,000 | 4,925,150 | 6,715,150 | 1,790,000 |
| Thereafter | 66,940,000 | 73,923,315 | 140,863,315 | 66,940,000 |
| Total | \$74,855,000 | \$99,595,875 | \$174,450,875 | \$74,855,000 |

1991 General Obligation Bonds. In November 1991, the RTA issued \$100 million in General Obligation Bonds, Series 1991A, to replenish the Capital Projects Fund to provide the source of paying costs of the Capital Program for the CTA, Metra, and Pace.

The Series 1991A Bonds will mature on November 1 over a thirty-year period and interest will be payable at rates ranging from 4.85% to 6.55% on May 1, 1992 and semi-annually thereafter on November 1 and May 1 in each remaining year.

Debt service requirements on the 1991A Bonds to maturity are set forth as follows:

| Year | Debt Service Requirements | | | Principal Maturity |
|--------------|---------------------------|----------------------|----------------------|---------------------|
| | Principal | Interest | Total | |
| 1995 | \$1,480,000 | \$6,347,789 | 7,827,789 | \$1,480,000 |
| 1996 | 1,555,000 | 6,270,089 | 7,825,089 | 1,555,000 |
| 1997 | 1,640,000 | 6,186,119 | 7,826,119 | 1,640,000 |
| 1998 | 1,735,000 | 6,095,099 | 7,830,099 | 1,735,000 |
| 1999 | 1,830,000 | 5,996,204 | 7,826,204 | 1,830,000 |
| Thereafter | 89,005,000 | 83,202,637 | 172,207,637 | 89,005,000 |
| Total | \$97,245,000 | \$114,097,937 | \$211,342,937 | \$97,245,000 |

1992 General Obligation Bonds. In June 1992, the RTA issued \$188 million in General Obligation Bonds, Series 1992A, to pay the cost of purchasing and reconstructing railcars for Metra. The RTA also issued \$30 million in General Obligation Bonds, Series 1992B, to pay the costs of reconstruction, acquisition, repair, and replacement of certain public transportation facilities for the CTA, Metra, and Pace.

The Series 1992A and 1992B Bonds will mature on June 1 over a thirty-year period and interest will be payable at rates ranging from 5.30% to 9.00% on December 1, 1992 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1992A and 1992B Bonds to maturity are set forth below:

| Year | Debt Service Requirements | | | Principal Maturity |
|--------------|---------------------------|----------------------|----------------------|----------------------|
| | Principal | Interest | Total | |
| 1995 | - | \$14,352,169 | \$14,352,169 | - |
| 1996 | - | 14,352,169 | 14,352,169 | - |
| 1997 | \$2,176,364 | 14,352,169 | 16,528,533 | - |
| 1998 | 3,540,909 | 14,243,413 | 17,784,322 | \$3,420,000 |
| 1999 | 3,743,636 | 14,051,779 | 17,795,415 | 3,610,000 |
| Thereafter | 208,539,091 | 194,261,361 | 402,800,452 | 210,970,000 |
| Total | \$218,000,000 | \$265,613,060 | \$483,613,060 | \$218,000,000 |

1993 General Obligation Bonds. In June 1993, the RTA issued \$55 million in General Obligation Bonds Series 1993A, to pay the cost of purchasing and reconstructing rail cars for Metra. The RTA also issued \$55 million in General Obligation Bonds, Series 1993B, to pay the costs of reconstruction, acquisition, repair, and replacement of certain public transportation facilities for the CTA, Metra, and Pace.

The Series 1993A and 1993B Bonds will mature on June 1 over a thirty-year period and interest will be payable at rates ranging from 4.21%, to 5.85% on December 1, 1993 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1993A and 1993B Bonds to maturity are set forth below:

| Year | Debt Service Requirements | | | Principal Maturity |
|------------|---------------------------|---------------|---------------|--------------------|
| | Principal | Interest | Total | |
| 1995 | - | \$6,210,790 | 6,210,790 | - |
| 1996 | \$1,186,818 | 6,210,790 | 7,397,608 | - |
| 1997 | 1,919,091 | 6,163,792 | 8,082,883 | \$1,865,000 |
| 1998 | 2,007,273 | 6,080,980 | 8,088,253 | 1,950,000 |
| 1999 | 2,097,273 | 5,990,356 | 8,087,629 | 2,040,000 |
| Thereafter | 102,789,545 | 88,139,643 | 190,929,188 | 104,145,000 |
| Total | \$110,000,000 | \$118,796,351 | \$228,796,351 | \$110,000,000 |

1993 General Obligation Refunding Bonds. In June 1993, the RTA issued \$23.265 million in General Obligation Bonds, Series 1993C, to provide funds to refund in advance of maturity the RTA's outstanding Series 1990A Bonds maturing November 1 in the years 2003, 2004, 2005, and 2009 in the aggregate amount of \$20.35 million.

The Series 1993C Refunding Bonds will mature on June 1 over a sixteen-year period and interest will be payable at rates ranging from 2.75% to 5.70% on December 1, 1993 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1993C Refunding Bonds to maturity are set forth below:

| Year | Debt Service Requirements | | | Principal Maturity |
|------------|---------------------------|--------------|--------------|--------------------|
| | Principal | Interest | Total | |
| 1995 | \$153,636 | \$1,225,408 | \$1,409,044 | \$160,000 |
| 1996 | 156,364 | 1,249,568 | 1,405,932 | 150,000 |
| 1997 | 163,182 | 1,243,088 | 1,406,270 | 160,000 |
| 1998 | 171,364 | 1,235,962 | 1,407,326 | 165,000 |
| 1999 | 178,182 | 1,228,143 | 1,406,325 | 175,000 |
| Thereafter | 22,220,453 | 8,032,924 | 30,253,377 | 22,335,000 |
| Total | \$23,043,181 | \$14,245,093 | \$37,288,274 | \$23,145,000 |

1994 General Obligation Bonds. In May 1994, the RTA issued \$195 million in General Obligation Bonds, Series 1994A, to pay the cost of purchasing and reconstructing rail cars for Metra. Proceeds of Series 1994A Bonds may also be used to purchase new paratransit vehicles for Pace and for rehabilitation of rail cars for the CTA. The RTA also issued \$80 million in General Obligation Bonds, Series 1994B, to pay the costs of reconstruction, acquisition, repair, and replacement of certain public transportation facilities for the CTA, Metra, and Pace.

The Series 1994A and 1994B Bonds will mature on June 1 over a thirty-year period and interest will be payable at rates ranging from 3.75% to 8.0% on December 1, 1994 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994A and 1994B Bonds to maturity are set forth below:

| Year | Debt Service Requirements | | | Principal Maturity |
|------------|---------------------------|---------------|---------------|--------------------|
| | Principal | Interest | Total | |
| 1995 | \$2,515,000 | \$17,279,111 | \$19,794,111 | \$2,515,000 |
| 1996 | 3,695,000 | 17,150,665 | 20,845,665 | 3,695,0900 |
| 1997 | 3,860,000 | 16,977,700 | 20,837,700 | 3,860,000 |
| 1998 | 4,045,000 | 16,784,900 | 20,829,900 | 4,045,000 |
| 1999 | 4,245,000 | 16,573,405 | 20,818,405 | 4,245,000 |
| Thereafter | 256,640,000 | 258,358,522 | 514,998,522 | 256,640,000 |
| Total | \$275,000,000 | \$343,124,303 | \$618,124,303 | \$275,000,000 |

In December 1994, the RTA issued \$62 million in General Obligation Bonds, Series 1994C, to pay for capital projects of the CTA, Metra and Pace required by the Americans with Disabilities Act, and for vehicle rehabilitation and the construction or renewal, of support facilities. The RTA also issued \$129,965 million in General Obligation Bonds, Series 1994D, to pay for portions of CTA's rehabilitation of the Green Line elevated structure, track replacement, and repair or replacement of bus supporting services, and for Pace's construction of bus garages and purchase of new buses and paratransit vehicles.

The 1994C and 1994D Bonds will mature on June 1 over a thirty-year period and interest will be payable at rates ranging from 5.3% to 7.75% on June 1, 1995 and semi-annually thereafter on June 1 and December 1 in each remaining year.

Debt service requirements on the Series 1994C and 1994D Bonds to maturity are set forth as follows:

| Year | Debt Service Requirements | | | Principal Maturity |
|------------|---------------------------|---------------|---------------|--------------------|
| | Principal | Interest | Total | |
| 1995 | - | \$14,886,572 | \$14,886,572 | - |
| 1996 | - | 13,741,451 | 13,741,451 | - |
| 1997 | \$2,095,000 | 13,685,934 | 15,780,934 | \$2,095,000 |
| 1998 | 2,215,000 | 13,568,296 | 15,783,396 | 2,215,000 |
| 1999 | 2,340,000 | 13,439,101 | 15,779,101 | 2,340,000 |
| Thereafter | 185,315,000 | 225,030,339 | 410,345,339 | 185,315,000 |
| Total | \$191,965,000 | \$294,351,793 | \$486,316,793 | \$191,695,000 |

All of the bonds are general obligations of the RTA to which the full faith and credit of the RTA are pledged. The bonds are payable from all revenues and all other funds received or held by the RTA (except amounts in the Joint Self-Insurance Fund and amounts required to be held or used with respect to separate ordinance obligations), that lawfully may be used for retiring the debt.

The bonds are secured by an assignment of a lien on the sales taxes imposed by the RTA. All sales tax receipts are to be paid directly to the trustee by officials of the State of Illinois. If for any reason the required monthly debt service payment has not been made by the RTA, the trustee is to deduct it from the receipts. If all payments have been made, the funds are made available to the RTA for regular use.

Under the Act, the CTA, Metra, and Pace's farebox receipts and funds on hand are not available for payment of debt service.

In the Debt Service Fund, \$18,397,515 is available to service principal and interest payments of the RTA's long-term debt as of December 31, 1994.

NOTE 10 — DEFERRED COMPENSATION

Each of the entities offers a deferred compensation plan to its employees. The RTA, CTA, and Metra have plans created in accordance with Internal Revenue Code Section 457. Metra and Pace also offer 401(K) plans.

In each Section 457 plan, all amounts deferred, all property or rights purchased with such amounts, and all earnings on such investments are unrestricted assets of the entity until paid to the participant. The entities believe they have no liability for losses under the plans, but do have the duty of due care that would be required of an ordinary prudent investor. The participants' rights under the plan are equal to those of general creditors, although none of the entities plan to use these assets to satisfy the claims of general creditors in the future.

NOTE 11 — PENSION

All eligible employees of the four entities are covered under a pension plan. RTA employees, as well as non-union employees of Metra and Pace are covered under the RTA Pension Plan which is a multi-employer non-contributory defined benefit cost sharing plan. The union employees of Metra and Pace are covered under various other plans as are required by their collective bargaining agreements.

The employees of the CTA are generally covered by the Employees Retirement Plan, governed by the terms of the employees' collective bargaining agreement.

NOTE 12 — REGION-WIDE FINANCIAL INFORMATION

The RTA management has elected to present certain region-wide financial information. The purpose of this information is to provide a total overview of transportation related operations in the Northeastern Illinois region. Accordingly, this region-wide information follows in the pro forma combining region-wide statement of revenues and expenditures and the pro forma combining region-wide budgetary basis statement of revenues and expenditures - budget and actual.

The primary financial statements of the RTA and the Service Boards used to prepare the pro forma combining statements of revenues and expenditures do not include the aggregate of system generated revenues and costs. The pro forma combining region-wide statement of revenues and expenditures includes, the aggregate

of all system revenues and costs. However, the RTA Act modifies generally accepted accounting principles to exclude certain revenues and expenses from the calculation of the region-wide system generated revenues recovery ratio.

The RTA Act requires that the aggregate of all system generated revenues equal at least 50% of the aggregated costs of providing such public transportation. This concept is described as the "system generated revenues recovery ratio."

For 1994, the region-wide system generated revenues recovery ratio is calculated as follows:

| System Generated Revenues | (in thousands) |
|---------------------------------|--------------------|
| CTA | \$ 403,672 |
| Metra | 185,697 |
| Pace | 34,390 |
| RTA | 4,323 |
| Total System Generated Revenues | <u>\$ 628,622</u> |
| System Generated Expenses | |
| CTA | \$ 761,915 |
| Metra | 321,526 |
| Pace | 96,159 |
| RTA | 12,191 |
| Total System Generated Expenses | <u>\$1,191,791</u> |

The region-wide system generated revenues recovery ratio for 1994 equals 52.7%.

Regional Transportation Authority And Service Boards

Pro Forma Combining Region-Wide Statement Of Revenues and Expenditures

For the Fiscal Year Ended December 31, 1994

(in thousands)

| | RTA Combined Funds | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Combining Adjustments | | Pro Forma Combined Balance |
|---|--------------------------|---------------------------------|------------------------------|-----------------------------|--------------------------|------------------|----------------------------------|
| | | | | | Debit | Credit | |
| Revenues: | | | | | | | |
| Passenger | - | \$363,637 | \$153,908 | \$31,583 | - | - | \$549,128 |
| Other | - | 40,035 | 31,789 | 6,228 | 26,576 | - | 51,476 |
| RTA financial assistance | - | 366,485 | 173,132 | 63,147 | 602,764 | - | - |
| Sales taxes | 497,698 | - | - | - | - | - | 497,698 |
| Interest on sales taxes | 837 | - | - | - | 711 | - | 126 |
| Federal operating assistance | 49,557 | - | - | - | 83 | - | 49,474 |
| PTF | 124,002 | - | - | - | - | - | 124,002 |
| Additional State Assistance | 22,647 | - | - | - | - | - | 22,647 |
| State reduced fare reimbursement | 24,861 | - | - | - | - | - | 24,861 |
| Investment income | 14,899 | - | - | - | 242 | - | 14,657 |
| Other grants and reimbursements | 532 | - | - | - | - | - | 532 |
| Total Revenues | 735,033 | 770,157 | 358,829 | 100,958 | 630,376 | - | 1,334,601 |
| Expenditures: | | | | | | | |
| Operating expenses | - | 849,812 | 323,962 | 99,040 | - | 3,122 | 1,269,692 |
| Depreciation | - | 77,933 | 86,800 | 16,897 | - | - | 181,630 |
| Operating grants to Service Boards | 576,516 | - | - | - | - | 576,516 | - |
| Capital grants to Service Boards | 174,128 | - | - | - | - | 24,494 | 149,634 |
| New initiatives to Service Boards | 83 | - | - | - | - | 83 | - |
| Reduced fare reimbursement to Service Boards | 24,861 | - | - | - | - | 24,861 | - |
| Sales tax interest to Service Boards | 711 | - | - | - | - | 711 | - |
| Administration | 5,205 | - | - | - | - | - | 5,205 |
| Regional expenses | 20,678 | - | - | - | - | - | 20,678 |
| Debt Service | 44,627 | - | - | - | - | - | 44,627 |
| Fixed assets additions | 3,556 | - | - | - | - | - | 3,556 |
| Total Expenditures | 850,365 | 927,745 | 410,762 | 115,937 | - | 629,787 | 1,675,022 |
| Net Revenues (Expenses/Expenditures) | | | | | | | |
| Before Depreciation Exclusion | (115,332) | (157,588) | (51,933) | (14,979) | 630,376 | 629,787 | (340,421) |
| Depreciation exclusion | - | 75,211 | 86,800 | 16,897 | - | - | 178,908 |
| Bond proceeds | 471,531 | - | - | - | - | - | 471,531 |
| Retirement of debt | (7,249) | - | - | - | - | - | (7,249) |
| Capital farebox financing | - | - | 7,676 | - | - | - | 7,676 |
| Net Revenues (Expenditures) | \$348,950 | (\$82,377) | \$42,543 | \$1,918 | \$630,376 | \$629,787 | \$310,445 |

See accompanying compilation report of KMPG Peat Marwick LLP.

SUPPLEMENTARY FINANCIAL INFORMATION

Regional Transportation Authority And Service Boards

Pro Forma Combining Region-Wide Budgetary Basis Statement of Revenues And Expenditures Budget And Actual

For the Fiscal Year Ended December 31, 1994

(in thousands)

| | RTA Combined Funds | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | Combining Adjustments | | Pro Forma Combined Balance | Pro Forma Region-Wide Budget |
|--|--------------------------|---------------------------------|------------------------------|-----------------------------|--------------------------|-----------|----------------------------------|------------------------------------|
| | | | | | Debit | Credit | | |
| Revenues: | | | | | | | | |
| Passenger fares | - | \$363,637 | \$153,908 | \$31,583 | - | - | \$549,128 | \$586,403 |
| Other | - | 40,035 | 31,789 | 6,228 | 26,576 | - | 51,476 | - |
| RTA financial assistance | - | 366,485 | 173,132 | 63,147 | 602,764 | - | - | - |
| Sales taxes | 497,698 | - | - | - | - | - | 497,698 | 486,816 |
| Interest on sales taxes | 837 | - | - | - | 711 | - | 126 | - |
| Federal operating assistance | 49,557 | - | - | - | 83 | - | 49,474 | 49,475 |
| Public Transportation Fund | 124,002 | - | - | - | - | - | 124,002 | 121,547 |
| State Additional Assistance | 22,647 | - | - | - | - | - | 22,647 | 25,000 |
| State reduced fare reimbursement | 24,861 | - | - | - | - | - | 24,861 | 23,917 |
| Investment income | 14,899 | - | - | - | 242 | - | 14,657 | 3,084 |
| Other grants and reimbursements | 532 | - | - | - | - | - | 532 | 1,922 |
| Bond proceeds | 471,531 | - | - | - | - | - | 471,531 | - |
| Total Revenues | 1,206,564 | 770,157 | 358,829 | 100,958 | 630,376 | - | 1,806,132 | 1,298,164 |
| Expenditures: | | | | | | | | |
| Operating expenses | - | \$49,812 | \$23,962 | \$9,040 | - | 3,122 | 1,269,692 | 1,202,446 |
| Depreciation | - | 2,722 | - | - | - | - | 2,722 | - |
| Operating grants to Service Boards | 576,516 | - | - | - | - | 576,516 | - | - |
| Capital grants to Service Boards | 174,128 | - | - | - | - | 24,494 | 149,634 | 52,180 |
| Other grants to Service Boards | 83 | - | - | - | - | 83 | - | - |
| Reduced fare reimbursement to Service Boards | 24,861 | - | - | - | - | 24,861 | - | - |
| Sales tax interest to Service Boards | 711 | - | - | - | - | 711 | - | - |
| Administration | 5,205 | - | - | - | - | - | 5,205 | 5,480 |
| Regional expenses | 20,678 | - | - | - | - | - | 20,678 | 8,425 |
| Debt Service | 51,876 | - | - | - | - | - | 51,876 | 55,175 |
| Fixed assets additions | 3,556 | - | - | - | - | - | 3,556 | 9,828 |
| Total Expenditures | \$857,614 | \$852,534 | \$323,962 | \$99,040 | - | \$629,787 | \$1,503,363 | \$1,333,534 |

See accompanying compilation report of KMPG Peat Marwick LLP.

Service Division Operating Characteristics

| CHICAGO TRANSIT AUTHORITY | METRA COMMUTER RAIL DIVISION | PACE SUBURBAN BUS DIVISION |
|---|--|--|
| Rapid Transit <ul style="list-style-type: none">• 289 route miles• 145 stations served• 1,236 rapid transit cars• 10.1 million riders per month• 64 million passenger miles per month | <ul style="list-style-type: none">• 502 route miles• 1,210 miles of track• 227 stations• 130 locomotives• 685 passenger cars• 223 electric cars• 669 trains operated each weekday• 96.1% on-time performance in 1993• 6.0 million riders per month• 128 million passenger miles per month | Fixed Route <ul style="list-style-type: none">• 140 regular routes• 79 feeder routes• 200 communities served• 98 commuter rail and rapid transit stations served• 589 vehicles in use during peak periods• 3.0 million riders per month• 16 million passenger miles per month |
| Motor Bus <ul style="list-style-type: none">• 2,142 route miles• 139 bus routes• 2,109 buses• 27.3 million riders per month (including paratransit riders)• 65 million passenger miles per month | | Paratransit <ul style="list-style-type: none">• 66 local services• 316 Pace owned lift-equipped buses in service• 210 communities served• 130 thousand riders per month• 748 thousand passenger miles per month |
| Paratransit <ul style="list-style-type: none">• 80 thousand riders per month | | Other <ul style="list-style-type: none">• 143 vanpools in operation• 47 thousand riders per month |

Allocation of Capital Funds to Northeast Illinois

Last Ten Calendar Years

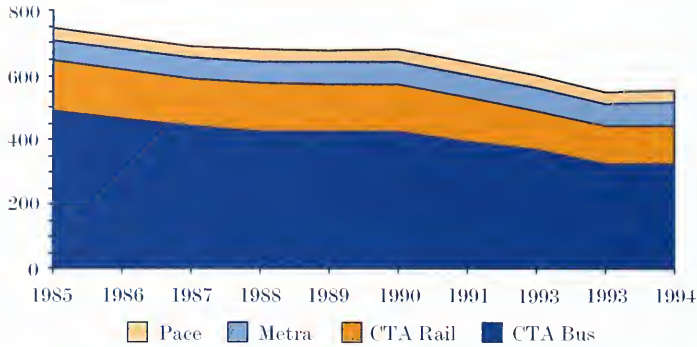
Sections 3, 9 and 23 (In millions)

| Federal Fiscal Year | Total Awarded | Chicago Transit Authority | Commuter Rail Division | Suburban Bus Division | RTA |
|---------------------|---------------|---------------------------|------------------------|-----------------------|--------|
| 1985 | 231.40 | 141.20 | 75.40 | 14.80 | -0- |
| 1986 | 237.36 | 141.45 | 77.20 | 18.19 | 0.52 |
| 1987 | 243.30 | 142.90 | 84.20 | 16.20 | -0- |
| 1988 | 245.72 | 154.18 | 72.93 | 18.61 | -0- |
| 1989 | 270.17 | 165.89 | 84.34 | 19.94 | -0- |
| 1990 | 174.79 | 113.45 | 42.46 | 18.88 | -0- |
| 1991 | 174.79 | 101.10 | 67.53 | 6.16 | -0- |
| 1992 | 161.14 | 90.77 | 57.14 | 13.23 | -0- |
| 1993 | 175.43 | 99.75 | 63.98 | 11.70 | -0- |
| 1994 | 237.20 | 141.92 | 77.33 | 17.95 | -0- |
| Total | \$2,151.30 | \$1,292.61 | \$702.51 | \$155.66 | \$0.52 |

System Ridership

1985-1994

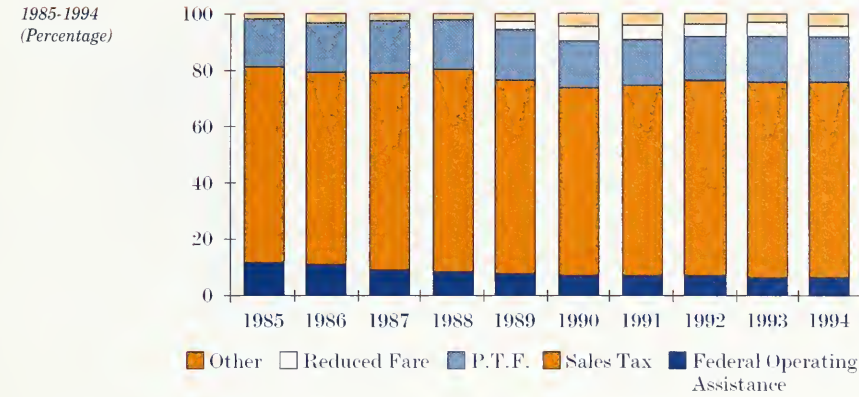
(In millions)



Unlinked Passenger Trips

| Service Consumed: | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 |
|-------------------|-------|--------|--------|--------|--------|-------|--------|--------|--------|-------|
| CTA - Bus | 487.9 | 467.7 | 440.7 | 424.3 | 421.7 | 423.2 | 394.1 | 373.3 | 328.1 | 327.3 |
| CTA - Rail | 155.9 | 145.7 | 148.6 | 149.4 | 147.7 | 146.7 | 135.3 | 120.6 | 118.5 | 120.9 |
| Total CTA | 643.8 | 613.4 | 589.3 | 573.7 | 569.4 | 569.9 | 529.4 | 493.9 | 446.6 | 448.2 |
| Metra | 61.8 | 62.1 | 64.0 | 67.0 | 68.4 | 69.3 | 69.0 | 70.0 | 69.9 | 72.0 |
| Pace | 38.4 | 36.1 | 35.6 | 36.7 | 37.9 | 40.4 | 40.5 | 39.3 | 38.3 | 38.6 |
| System Total | 744.0 | 711.6 | 688.9 | 677.4 | 675.7 | 679.6 | 638.9 | 603.2 | 554.8 | 558.8 |
| Percent Change | 1.3% | (4.4%) | (3.2%) | (1.7%) | (0.3%) | 0.6% | (6.0)% | (5.6%) | (8.0%) | 0.7% |

RTA Revenue By Source



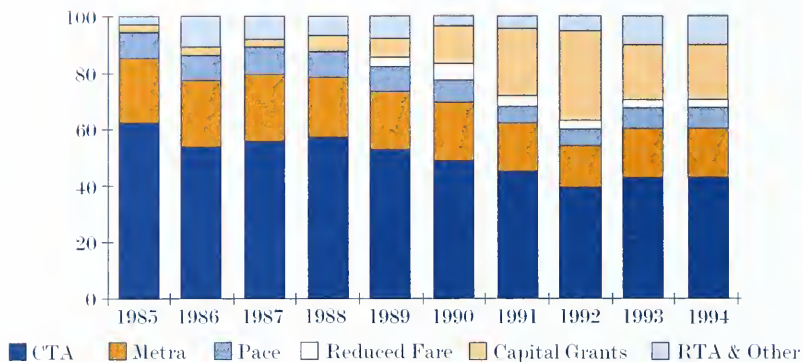
Last Ten Years

(In Thousands)

| | Federal Operating Assistance | Sales Tax | Public Transportation Fund | Reduced Fare | Other | Total |
|--------------------------|------------------------------------|--------------|----------------------------------|-----------------|---------|-----------|
| 12 Months Ended 12/31/85 | \$57,931 | \$342,441 | \$84,830 | \$ - | \$8,873 | \$494,075 |
| Percentage of Total | 11.73 % | 69.31 % | 17.17 % | 0.00 % | 1.79 % | 100 % |
| 12 Months Ended 12/31/86 | 56,286 | 368,579 | 90,264 | - | 17,341 | 532,470 |
| Percentage of Total | 10.57 % | 69.22 % | 16.95 % | 0.00 % | 3.26 % | 100 % |
| 12 Months Ended 12/31/87 | 52,000 | 386,439 | 95,895 | - | 17,200 | 551,534 |
| Percentage of Total | 9.43 % | 70.07 % | 17.39 % | 0.00 % | 3.11 % | 100 % |
| 12 Months Ended 12/31/88 | 48,848 | 418,752 | 102,701 | - | 13,854 | 584,155 |
| Percentage of Total | 8.36 % | 71.69 % | 17.58 % | 0.00 % | 2.37 % | 100 % |
| 12 Months Ended 12/31/89 | 49,602 | 429,988 | 107,294 | 16,090 | 16,775 | 619,749 |
| Percentage of Total | 8.00 % | 69.38 % | 17.31 % | 2.60 % | 2.71 % | 100 % |
| 12 Months Ended 12/31/90 | 49,947 | 444,110 | 110,855 | 39,646 | 25,296 | 669,854 |
| Percentage of Total | 7.46 % | 66.30 % | 16.55 % | 5.92 % | 3.77 % | 100 % |
| 12 Months Ended 12/31/91 | 49,019 | 425,173 | 109,195 | 35,267 | 22,583 | 641,237 |
| Percentage of Total | 7.64 % | 66.31 % | 17.03 % | 5.50 % | 3.52 % | 100 % |
| 12 Months Ended 12/31/92 | 49,141 | 445,891 | 109,843 | 27,924 | 22,587 | 655,386 |
| Percentage of Total | 7.50 % | 68.03 % | 16.76 % | 4.26 % | 3.45 % | 100 % |
| 12 Months Ended 12/31/93 | 49,421 | 462,393 | 115,771 | 23,410 | 28,332 | 679,327 |
| Percentage of Total | 7.27 % | 68.07 % | 17.04 % | 3.45 % | 4.17 % | 100 % |
| 12 Months Ended 12/31/94 | 49,475 | 497,698 | 124,002 | 24,861 | 38,997 | 735,033 |
| Percentage of Total | 6.73 % | 67.71 % | 16.87 % | 3.38 % | 5.31 % | 100 % |

Distribution Of Expenditures

1985-1994
(Percentage)

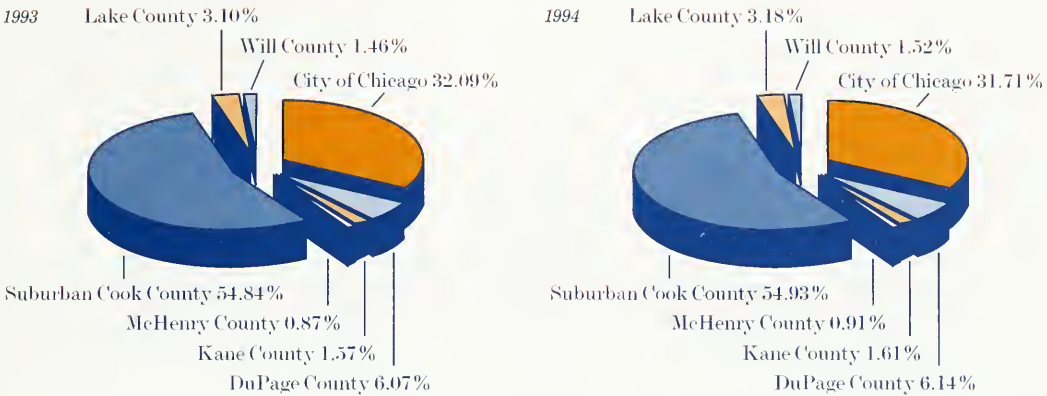


Last Ten Years

(In Thousands)

| | Operating Assistance | | | Reduced Fare | Capital Grants | RTA and Other | Total |
|--------------------------|----------------------|-----------|----------|--------------|----------------|---------------|-----------|
| | CTA | Metra | Pace | | | | |
| 12 Months Ended 12/31/85 | \$290,292 | \$106,696 | \$42,572 | \$ - | \$13,170 | \$14,946 | \$467,676 |
| Percentage of Total | 62.07% | 22.81% | 9.10% | 0.00% | 2.82% | 3.20% | 100% |
| 12 Months Ended 12/31/86 | 294,270 | 120,932 | 48,656 | - | 14,454 | 61,564 | 539,876 |
| Percentage of Total | 54.51% | 22.40% | 9.01% | 0.00% | 2.68% | 11.40% | 100% |
| 12 Months Ended 12/31/87 | 285,853 | 124,260 | 48,690 | - | 13,103 | 41,997 | 513,903 |
| Percentage of Total | 55.62% | 24.18% | 9.48% | 0.00% | 2.55% | 8.17% | 100% |
| 12 Months Ended 12/31/88 | 309,799 | 125,509 | 49,454 | - | 30,184 | 39,626 | 554,572 |
| Percentage of Total | 55.86% | 22.63% | 8.92% | 0.00% | 5.44% | 7.15% | 100% |
| 12 Months Ended 12/31/89 | 321,297 | 125,168 | 50,413 | 16,090 | 40,110 | 53,980 | 607,058 |
| Percentage of Total | 52.93% | 20.62% | 8.30% | 2.65% | 6.61% | 8.89% | 100% |
| 12 Months Ended 12/31/90 | 335,130 | 135,196 | 53,485 | 39,646 | 93,838 | 26,539 | 683,834 |
| Percentage of Total | 49.01% | 19.77% | 7.82% | 5.80% | 13.72% | 3.88% | 100% |
| 12 Months Ended 12/31/91 | 357,121 | 138,088 | 53,041 | 35,267 | 175,746 | 35,250 | 794,513 |
| Percentage of Total | 44.95% | 17.38% | 6.68% | 4.44% | 22.12% | 4.43% | 100% |
| 12 Months Ended 12/31/92 | 355,149 | 132,951 | 54,074 | 27,924 | 279,291 | 45,827 | 895,216 |
| Percentage of Total | 39.67% | 14.85% | 6.04% | 3.12% | 31.20% | 5.12% | 100% |
| 12 Months Ended 12/31/93 | 367,599 | 142,248 | 58,697 | 23,409 | 167,170 | 81,270 | 840,393 |
| Percentage of Total | 43.74% | 16.93% | 6.98% | 2.79% | 19.89% | 9.67% | 100% |
| 12 Months Ended 12/31/94 | 365,200 | 148,638 | 62,129 | 24,861 | 174,128 | 82,658 | 857,614 |
| Percentage of Total | 42.58% | 17.33% | 7.24% | 2.90% | 20.30% | 9.65% | 100% |

Sales Tax Revenues Source – by County/City of Chicago



Retailers' Occupation and Use Tax (Sales Tax) Revenues by County / City of Chicago

| Last Ten Years | | (In Thousands) | | | | | | |
|--------------------------|-----------------|----------------------|---------------|-------------|-------------|----------------|-------------|-----------|
| Location of Retailer | City of Chicago | Suburban Cook County | DuPage County | Kane County | Lake County | McHenry County | Will County | Total |
| 12 Months Ended 12/31/85 | \$123,955 | \$182,773 | \$16,993 | \$4,615 | \$7,936 | \$2,088 | \$4,081 | \$342,441 |
| Percentage of Total | 36.20% | 53.37% | 4.96% | 1.35% | 2.33% | 0.61% | 1.18% | 100% |
| 12 Months Ended 12/31/86 | 132,201 | 197,363 | 18,615 | 4,927 | 8,798 | 2,305 | 4,370 | 368,579 |
| Percentage of Total | 35.87% | 53.54% | 5.05% | 1.34% | 2.39% | 0.63% | 1.18% | 100% |
| 12 Months Ended 12/31/87 | 136,920 | 207,453 | 19,769 | 5,427 | 9,696 | 2,524 | 4,650 | 386,439 |
| Percentage of Total | 35.43% | 53.68% | 5.12% | 1.41% | 2.51% | 0.65% | 1.20% | 100% |
| 12 Months Ended 12/31/88 | 146,037 | 226,332 | 21,845 | 5,927 | 10,702 | 2,867 | 5,042 | 418,752 |
| Percentage of Total | 34.87% | 54.05% | 5.22% | 1.42% | 2.56% | 0.68% | 1.20% | 100% |
| 12 Months Ended 12/31/89 | 149,095 | 232,262 | 22,734 | 6,201 | 11,314 | 3,059 | 5,323 | 429,988 |
| Percentage of Total | 34.67% | 54.02% | 5.29% | 1.44% | 2.63% | 0.71% | 1.24% | 100% |
| 12 Months Ended 12/31/90 | 152,611 | 240,429 | 23,615 | 6,448 | 11,997 | 3,302 | 5,708 | 444,110 |
| Percentage of Total | 34.36% | 54.14% | 5.32% | 1.45% | 2.70% | 0.74% | 1.29% | 100% |
| 12 Months Ended 12/31/91 | 142,034 | 232,487 | 23,277 | 6,332 | 12,151 | 3,312 | 5,580 | 425,173 |
| Percentage of Total | 33.41% | 54.68% | 5.47% | 1.49% | 2.86% | 0.78% | 1.31% | 100% |
| 12 Months Ended 12/31/92 | 145,541 | 244,671 | 26,015 | 6,717 | 13,289 | 3,631 | 6,027 | 445,891 |
| Percentage of Total | 32.64% | 54.87% | 5.84% | 1.51% | 2.98% | 0.81% | 1.35% | 100% |
| 12 Months Ended 12/31/93 | 148,334 | 253,591 | 28,060 | 7,278 | 14,341 | 4,026 | 6,763 | 462,393 |
| Percentage of Total | 32.09% | 54.84% | 6.07% | 1.57% | 3.10% | 0.87% | 1.46% | 100% |
| 12 Months Ended 12/31/94 | 157,802 | 273,398 | 30,568 | 8,006 | 15,819 | 4,541 | 7,564 | 497,698 |
| Percentage of Total | 31.71% | 54.93% | 6.14% | 1.61% | 3.18% | 0.91% | 1.52% | 100% |

Legal Debt Capacity

1994

Legal Debt Margin:

| | | |
|---|-------------|----------------------|
| Debt limitation per Act for General Obligations | | \$1,000,000,000 |
| Debt applicable to limitation: | | |
| 1986A General Obligation Bonds | \$9,790,000 | |
| 1990A General Obligation Bonds | 74,855,000 | |
| 1991A General Obligation Bonds | 97,245,000 | |
| 1992A General Obligation Bonds | 188,000,000 | |
| 1992B General Obligation Bonds | 30,000,000 | |
| 1993A General Obligation Bonds | 55,000,000 | |
| 1993B General Obligation Bonds | 55,000,000 | |
| 1993C General Obligation Bonds | 23,145,000 | |
| 1994A General Obligation Bonds | 195,000,000 | |
| 1994B General Obligation Bonds | 80,000,000 | |
| 1994C General Obligation Bonds | 62,000,000 | |
| 1994D General Obligation Bonds | 129,965,000 | |
| Total debt applicable to limitation | | <u>1,000,000,000</u> |
| Debt Margin for General Obligations | | - |
| Debt limitation per Act for Working Cash Notes | | <u>100,000,000</u> |
| Total Legal Debt Margin | | <u>\$100,000,000</u> |

Revenue Test:

Sales Tax must be 2.5 times greater than debt service requirements

Debt Service Requirements for 1994 were \$53,447,888

$2.5 \times \$53,447,888 = \$133,619,720$ vs. \$497,698,487 of Sales Tax



*The Financial Section of this publication
is printed on recycled paper.*

RTA Board of Directors



Martin R. Binder
City of Chicago



Clark Burrus
*Chicago Transit
Authority*



Pastora San
Juan Cafferty
City of Chicago



Duane E. Carter
*Kane, Lake,
McHenry and
Will Counties*



Charles G. Dalton
*Suburban Cook
County*



David L. DeMotte
DuPage County



Herbert E.
Gardner
*Suburban Cook
County*



Frank R. Miller
*Kane, Lake,
McHenry and
Will Counties*



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*Suburban Cook
County*



Donald L. Totten
*Suburban Cook
County*



Rev. Addie L.
Wyatt
City of Chicago



Laura A. Jibben
Executive Director

RTA Staff

LIVING UP TO THE EXPECTATIONS of legislators, our Service Boards and the public requires the best thinking from some of the finest minds in transit. Shown here

aboard the *Wendella Ltd.* in the Chicago River, the 1994 RTA staff — guided by its Board of Directors and its Strategic Plan — accepts this responsibility with pride.



Chicago's landmark sightseeing boats at the corner of Michigan Avenue and the Chicago River are accessible by a myriad of CTA buses including the #2, #3, #11, #19, #120, #121, #122, #123, #145, #146, #147, and #151. Many of these buses serve Metra trains at the Union and Northwestern stations. The boat docks can also be reached on the Pace #210 bus.

1994 Annual Report

Laura A. Jibben
Executive Director

David Thompson
Director of Communications

Joseph G. Costello
Chief Financial Officer

Julie Gomez
Controller/Treasurer

KPMG Peat Marwick LLP
Certified Public Accountants

Project Coordinator
Woody Mosgers

Design and Production
Michael Hickman
Geraldine Walton
RTA Graphics Department

Photography
Matt Ferguson

Assistant Editor
Susan Hill

Prepared by the
Communications and Finance
departments of the
Regional Transportation Authority
181 West Madison, Suite 1900
Chicago, Illinois 60602

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Regional Transportation Authority
181 West Madison, Suite 1900
Chicago, Illinois 60602